



City and County of Swansea

Notice of Meeting

You are invited to attend a Meeting of the

Cabinet

At: Remotely via Microsoft Teams

On: Thursday, 18 February 2021

Time: 10.00 am

Chair: Councillor Rob Stewart

Membership:

Councillors: R Francis-Davies, D H Hopkins, E J King, A S Lewis, C E Lloyd, A Pugh, J A Raynor, A H Stevens and M Thomas

Also Invited: L S Gibbard

Watch Online: <http://bit.ly/3tp6Baj>

Webcasting: This meeting may be filmed for live or subsequent broadcast via the Council's Internet Site. By participating you are consenting to be filmed and the possible use of those images and sound recordings for webcasting and / or training purposes.

You are welcome to speak Welsh in the meeting.

Please inform us by noon, two working days before the meeting.

Agenda

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4. Announcements of the Leader of the Council.	
5. Public Question Time. Questions must be submitted in writing, no later than noon on the working day prior to the meeting. Questions must relate to items on the agenda. Questions will be dealt with in a 10 minute period.	

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** Call In Procedure - Subject to Pre-Decision Scrutiny: This decision is exempt from the Authority's Call In Procedure as "the decision has been subject to Pre-Decision Scrutiny and there is no material change in relevant information / evidence".*

Next Meeting: Thursday, 18 March 2021 at 10.00 am



Huw Evans
Head of Democratic Services
Wednesday, 10 February 2021

Contact: Democratic Services - Tel: (01792) 636923

Agenda Item 3.



City and County of Swansea

Minutes of the **Cabinet**

Remotely via Microsoft Teams

Thursday, 21 January 2021 at 10.00 am

Present: Councillor R C Stewart (Chair) Presided

Councillor(s)

R Francis-Davies
E J King
J A Raynor

Councillor(s)

L S Gibbard
A S Lewis
A H Stevens

Councillor(s)

D H Hopkins
C E Lloyd
M Thomas

Officer(s)

Huw Evans
Adam Hill
Tracey Meredith
Helen Morgan-Rees
Phil Roberts
Ben Smith

Head of Democratic Services
Deputy Chief Executive / Director of Resources
Chief Legal Officer / Monitoring Officer
Interim Director of Education
Chief Executive
Chief Finance Officer / Section 151 Officer

Also present

Councillor(s): P M Black, M C Child, A Pugh, L J Tyler-Lloyd

Apologies for Absence

Councillor(s): - Nil

56. Disclosures of Personal and Prejudicial Interests.

In accordance with the Code of Conduct adopted by the City and County of Swansea, the following interest was declared:

- 1) Councillor J A Raynor declared a Personal & Prejudicial Interest in Minute 62 "Local Authority Governor Appointments" and stated that she had dispensation from the Standards Committee to Stay, Speak but Not Vote on matters relating to the Appointment of Local Authority Governors.

57. Minutes.

Resolved that the Minutes of the meeting(s) listed below be approved and signed as a correct record:

- 1) Cabinet held on 17 December 2020.
- 2) Cabinet held on 7 January 2021.

58. Announcements of the Leader of the Council.

1) Covid-19 Vaccination

The Leader of Council stated that Covid-19 vaccination was being administered in Swansea from 3 Vaccination Centres, 49 GP Surgeries and a Mobile Unit. To date over 20,000 people had received the vaccination.

59. Public Question Time.

Questions were received from Jason Williams, Sara Keeton & Pamela Erasmus in relation to Minute 66 "Proposed Lease to Mumbles Community Council under the Community Asset Transfer Policy".

The relevant Cabinet Member(s) responded.

60. Councillors' Question Time.

- 1) Councillor M C Child asked questions in relation to Minute 63 "Co-production Social Care Strategy".
- 2) Councillors M C Child and L J Tyler-Lloyd asked questions in relation to Minute 66 "Proposed Lease to Mumbles Community Council under the Community Asset Transfer Policy".

The relevant Cabinet Member(s) responded.

61. Budget Proposals 2021/22 – 2025/26.

The Cabinet Member for Economy, Finance & Strategy submitted a report which outlined budget proposals for 2021-2022 to 2025-2026 as part of the Council's existing Budget Strategy.

Resolved that:

- 1) The Budget proposals summarised in the report and detailed in Appendix B of the report be approved as the basis of consultation.
- 2) The updated budget future forecast be adopted as the starting planning premise for the new medium term financial plan, which will be considered by Council on 4 March 2021.
- 3) The approach to consultation and engagement with staff, trade unions, residents, partners and other interested parties set out in Section 7 of the report be agreed.
- 4) A report on the outcome of the consultation and final budget proposals be presented to Cabinet on 18 February 2021.

62. Local Authority Governor Appointments.

The Local Authority Governors Appointment Group submitted a report, which sought approval of the nominations submitted to fill Local Authority (LA) Governor vacancies on School Governing Bodies.

Resolved that:

- 1) The following nominations recommended by the Director of Education in conjunction with the Cabinet Member for Education Improvement, Learning & Skills be approved:

1)	Burlais Primary School	Cllr Chris Holley Cllr Peter Black Cllr Graham Thomas Julie Palmer
2)	Cila Primary School	Helen Richards
3)	YGG Tan y Lan	Meleri Cole
4)	Dylan Thomas Community School	Cllr Lesley Walton

63. Co-production Social Care Strategy.

The Cabinet Members for Adult Social Care & Community Health Services, Children Services and Supporting Communities jointly submitted a report which outlined the development of a Co-production Strategy in Social Care.

Resolved that:

- 1) The Co-production Strategy for Social Care be approved and adopted for the Social Services Directorate.

64. Proposed Appropriation of Bryn House, 78 Walter Road, Swansea, SA1 4PS.

The Cabinet Member for Delivery & Operations submitted a report which sought a decision whether Bryn House, 78 Walter Road, Swansea should be appropriated under s122 Local Government Act 1972 for the purposes of Housing. The land proposed to be appropriated is currently held by the Council as Education land and is considered to be surplus to requirements for those purposes.

Resolved that:

- 1) The property identified on the plan at Appendix B of the report be noted as being surplus to requirements and no longer required for Education purposes.
- 2) The property identified above be appropriated under s122 Local Government Act 1972 for the purposes of Housing, namely the provision of eight residential units for council housing upon the terms set out in Paragraph 3 of the report.

65. Bus Emergency Scheme 2 (BES 2) – Legal Agreement for Future Welsh Government Funding.

The Cabinet Member for Environment Enhancement & Infrastructure Management submitted a report which provided information on the Bus Emergency Scheme (BES) and sought agreement to sign up to the BES 2 Scheme.

Resolved that:

- 1) The Authority signs up to the BES 2 Agreement, as set out in Appendix 2 of the report, as the regional lead authority to secure (conditional) financial support for the bus sector and to establish a relationship with their constituent local authorities that ensures that the ongoing emergency funding meets those authorities' priorities and is delivered on their behalf.
- 2) In the event that the template agreement at Appendix 2 of the report is varied by Welsh Government, authority is delegated to the Director of Place together with the Cabinet Member for Environment Enhancement & Infrastructure Management, in conjunction with the Chief Legal Officer, to agree any amendments necessary to the draft agreement; and authorises the Chief Legal Officer to enter into the agreement on behalf of the Council as regional lead authority.
- 3) Authority be delegated to the Chief Legal Officer to enter into any ancillary documentation necessary to deliver the scheme including any inter authority agreements with other councils in the region or with any participating operators.
- 4) A further report be presented to Cabinet on bus reform proposals relating to the future management of bus services in Wales.

66. Proposed Lease to Mumbles Community Council under the Community Asset Transfer Policy.*

Call In Procedure - Subject to Pre-Decision Scrutiny: This decision is exempt from the Authority's Call In Procedure as "the decision has been subject to Pre-Decision Scrutiny and there is no material change in relevant information / evidence".

Councillor P M Black provided the Pre-decision Scrutiny feedback.

The Cabinet Members for Investment, Regeneration & Tourism and Delivery & Operations submitted a joint report which sought approval to negotiate and agree Heads of Terms and enter into a lease with Mumbles Community Council for land at Llwynderw for the purpose of constructing and managing a new skate park on the site.

Resolved that:

- 1) The outcome responses from the consultation process under the public open spaces legislation that was undertaken in respect of the land identified in

appendix A (site plan) of the report be noted. A full copy of the responses received, and each of those that Object, Support or provide a Neutral comment has been provided as Appendix G, with a high level summary provided within the body of this report.

- 2) The proposed disposal of the land to Mumbles Community Council at a level of undervalue being acceptable to Cabinet and based on advice of the Director of Place be approved. Authority be delegated to the Director of Place to negotiate and settle the terms of the proposed lease of the land identified in Appendix A (Site Plan) of the report and authority be delegated to the Chief Legal Officer to finalise the legal documentation.
- 3) Improvements be made to the site in line with the associated planning permission reference 2019/2345/FUL granted on 13 February 2020 for a replacement Skatepark at West Cross Skate Park, Mumbles Road, Blackpill, Swansea.

67. Exclusion of the Public.

Cabinet were requested to exclude the public from the meeting during consideration of the item(s) of business identified in the recommendations to the report(s) on the grounds that it / they involve the likely disclosure of exempt information as set out in the exclusion paragraph of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007 relevant to the items of business set out in the report(s).

Cabinet considered the Public Interest Test in deciding whether to exclude the public from the meeting for the item of business where the Public Interest Test was relevant as set out in the report.

Resolved that the public be excluded for the following item(s) of business.

(Closed Session)

68. Welsh Government Housing Support Grant Procurement Plan 2021 – 2024.

The Cabinet Members for Adult Social Care & Community Health Services and Homes, Energy & Service Transformation jointly submitted a report which detailed the procurement plan for Housing Support Grant and sought approval to issue contract extensions in line with the proposed timescales for providers which are currently commissioned to ensure service provision is sustainable, creates efficiencies and improves outcomes for people that use services.

Resolved that the recommendations as detailed in the report be approved.

69. Kickstart Scheme.

The Cabinet Members for Economy, Finance & Strategy, Supporting Communities and Investment, Regeneration & Tourism jointly submitted a report which sought authority to serve as a gateway provider of the Kickstart Scheme and to create grant

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Cont'd

funded Kickstart placements within Swansea Council and to commit and authorise the addition of a new revenue grant funded scheme.

Resolved that the recommendations as detailed in the report be approved.

The meeting ended at 11.51 am

Chair

Call In Procedure – Relevant Dates	
Minutes Published:	21 January 2021
Call In Period Expires (3 Clear Working Days after Publication):	23.59 on 26 January 2021
Decision Comes into force:	27 January 2021

Agenda Item 8.



Report of the Cabinet Member for Economy, Finance & Strategy

Cabinet – 18 February 2021

Revenue and Capital Budget Monitoring 3rd Quarter 2020/21

Purpose:	To report on financial monitoring of the 2020/21 revenue and capital budgets
Policy Framework:	Budget 2020/21. Transformation and Future Council (Sustainable Swansea –fit for the future)
Consultation:	Cabinet Members, Corporate Management Team, Legal Services and Access to Services.
Recommendation(s):	It is recommended that Cabinet: 1) Notes the comments and variations set out in the report and the actions in hand to address these; 2) Approves the virements in para 2.7; 3) Reduces the level of permitted, in extremis, in year overspending to £4m, to be fully financed from draws from earmarked reserves, well within the sums approved at Council on 4 November 2020, to ensure the overall budget remains balanced for the year; 4) Continue to endorse that no officer may consider any material further spending commitments and must wherever possible continue to defer and delay spending to contain and reduce the likely modest forecast overspend by year end as far as is practicable, whilst delivering agreed Council priorities set out in the approved budget.
Report Author:	Ben Smith
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar

1. Background and Introduction

- 1.1 This report details forecast variations from the agreed budget for 2020/21.
- 1.2 In respect of Revenue Budgets, this report provides a consolidated forecast which combines:
- projected variations (mainly shortfalls) in relation to budget savings agreed by Council in March 2020
 - Variations arising from other service pressures not directly linked to specific savings plans (e.g. increased service demand, price and pay inflation, increased, but most often unfunded, regulatory obligations and burdens from both UK and Welsh governments)
- 1.3 The report includes comments from Directors in relation to the variations highlighted and the action that is in hand or proposed as appropriate.

2. Revenue Outturn Forecast Based on 3rd Quarter position

- 2.1 Appendix 'A' to this report details the approved Revenue Budget for 2020/21 and the forecast variation at this time.
- 2.2 Other than projected variations on Directorate expenditure, it is still too early to confidently forecast final variations that may arise on some significant Corporate items, including the level of Council Tax collection (which posted a deficit in 2019-20 of £0.7m and 2018-19 of £0.3m). However, given the likely impact of COVID on collection it is inevitable that a further shortfall will arise in 2020-21. An updated forecast is that there remains a potential shortfall of £3.8m in 2020-21. This may be subject to some form of grant underpin support in due course from the Welsh Government, but is far from assured.
- 2.3 The overall Directorate position is summarised below:-

DIRECTORATE

	FORECAST VARIATION 2020/21 £000	NET COVID VARIATION 2020/21 £000	OTHER VARIATION 2020/21 £000
RESOURCES	3,366	4,071	-705
PEOPLE - SOCIAL SERVICES	1,983	7,760	-5,777
PEOPLE - EDUCATION	4,898	3,225	1,673
PLACE	6,700	6,700	0
Additional Savings	194		194
<i>NET DIRECTORATE EXPENDITURE</i>	17,141	21,756	-4,615

- 2.4 Directors' comments on the above variations are shown at Appendix B

- 2.5 Within the *Sustainable Swansea* Delivery Programme, work continues to develop service delivery plans that will include all savings requirements across all strands. This includes the cross cutting nature of new reviews as well as the completion of current in-flight reviews.
- 2.6 The table above shows an estimated overspend for the year of £17.14million. Bar some “Business as usual” fluctuations in Social Services and Education which is in effect entirely as a result of the COVID 19 pandemic and relevant responses in expenditure and reductions in Income as a result. This figure does not include the Business Support Grants costs and Retail/Hospitality/Rates reductions resulting from Welsh Government decisions and which are now anticipated to cost around £110m of additional costs and to be funded in their entirety. A further approx. £15m support is anticipated from WG announcements for additional Business support in relation to the latest lockdown starting Christmas 2020 .Any funding from WG confirmed after the Quarter 3 report as a result of grant claims have not been included in the figures above. Section 2.7 below shows the level of “service” expenditure that has been deemed as eligible and paid by WG to date.
- 2.7 Currently, monthly claims against additional COVID expenditure (April to December and an historic claim in relation to March 2020) and a claim for loss of income for the first two quarters as a result of COVID in relation to the services has been submitted to WG. The summary of claims submitted and amounts received to date is set out below :

Summary of claims submitted and payments received to date in 2020/21

	Claim £000's	Paid £000's	
Hardship (costs) : April-December	14,928	10,849	Partial October , November Adult Social Care & November schools staffing awaiting WG response. December recently submitted & awaiting WG response.
Loss of Income : 1 st ,2 nd Quarters	11,216	10,805	
Overall total	26,144	21,654	

Welsh Government have amended eligibility criteria as the year has progressed both in relation to additional costs and loss of income. This has included deeming as ineligible certain elements of expenditure (eg day to day expenses such as mobile phones, postage/copying/stationery costs, local decisions re support to local business) and reducing the eligible element of other costs.

As such the monthly claims are amended to include only those elements of expenditure deemed to be eligible so exclude any costs etc not deemed eligible to be claimed.

Whilst some elements of expenditure are going to be continued to be claimed the WG

“panel have suggested as authorities are moving into a different phase of response then some costs deemed additional and necessary at the start will no longer be eligible within the fund but will be a matter for local discretion. e.g. packed lunches for homeless. This is because what was deemed an emergency response at the start of the pandemic is likely to

either have a national policy response or there has been enough time for authorities to make alternative arrangements at a lower cost from existing budgets.”

This will result in a further reduction in those elements deemed to be eligible for grant by WG. Similarly, the Loss of Income claims only include those elements deemed as “eligible” by WG.

Grant claims to WG in relation to TTP have commenced which are anticipated to cover all additional costs arising. The additional forecast costs are included under Resources and currently amount to £2.8m in 2020/21. Some £0.66m has been claimed against spend to date. It remains unclear how much will be truly additional cost (and claimable) as opposed to, as is predominantly currently the case, redeployed and redirected costs of existing workforce otherwise prevented from working in their normal service areas, but as “return to new normal” becomes more prevalent it is clear costs will rapidly start to be additional rather than “in lieu” and thus reclaimable.

Grant claims to WG for the £500 carer payments are being made in line with the national scheme and again are assumed to fully cover costs with both elements contained with the Social Services forecast. The estimated total cost of the carers support scheme and equivalent grant funding to be claimed is £3.5m .The same approach applies to the £500/person isolation payments and social care statutory sick pay top up payments now the scheme is operational.

At present, therefore, it is proposed to allocate the additional sums received since the second quarter report as follows and to seek that cabinet formalise their virement in receiving this report to service budget lines as follows :

Education	£2.51m
Social Services	£2.26m
Place	£2.83m
Resources	£0.25m
Total	£7.85m

And once the final figure is confirmed up to the following :

Resources (TTP) £2.8m

This proposal has no overall impact on the position, merely allocates grant received back above the line and which will result in some reductions in report service overspending in later reports but equally will remove the net grant income received below the line.

Additional claims and payments regarding COVID from the Welsh Government will continue to be made during the rest of the financial year which will be required to be reflected in the final financial position of the Council. To date, Cabinet approval has been sought to allocate retrospective claim income to services as part of the quarterly reports. Due to the tight timescales for completing the financial outturn position for 2020-21 it is recommended by the S151 Officer that for the final quarter only the relevant claim values for that quarter are allocated out (vired) to the service budget lines as part of financial closure. The value of these amounts received and allocated to services will be reported in the normal “Outturn” financial report to Cabinet in July.

2.8 Corporate Management Team has re-enforced the current arrangements for budget monitoring in particular:-

- focus on a range of corrective actions;
- targeted immediate spend reduction and deferral action;
- spending control on all vacancies and contracts;
- a continued reminder that **no Responsible Officer is authorised to overspend their budget in line with Financial Procedure Rules;**
- and consequently that Directors must work closely with Cabinet Members and the Corporate Management Team to contain, reduce, defer and delay spending as far as possible, having due regard, to existing agreed budget and political priorities to nonetheless seek to limit service overspending.

2.9 Offsetting opportunities do exist to temporarily ameliorate the currently identified service demand and price pressures as follows.

- £1m was set aside in the budget for the potential costs relating to the impact of the Apprenticeship Levy. The final costs relating to this levy will only be known once final employee related costs are calculated at the year end. Should the full allocation not be required then any saving will be proposed to be used to mitigate service pressures at year end.
- £1.85m was also set aside to meet any specific and significant inflationary increases arising in year. Given the overall financial projection at this stage it is proposed by the S151 officer that this be released as a compensating corporate saving especially as the price inflation outlook for the year looks very subdued.
- Use of the Contingency Fund as detailed below.

3. Contingency Fund Provision for 2020/21

3.1 The contingency fund was set at the £3.621m contribution for 2020/21 as set out in the budget report approved by Council in March 2020. As a result of the favourable outturn position this was added to, on a one off basis, to bring the total available to spend to over £9m. This is significantly higher than in recent years reflecting additional mitigation against any repeated overspending.

3.2 The current potential calls on the contingency fund for 2020-21 are:-

Contingency Fund 2020/21	Prediction
	2020/21 (£m)
Budgeted contribution for year.	3.621
Increase from c/fw from 2019-20 (as per Council 4 November 2020)	6.306
Proposed Strengthening and increased resilience in Financial Services	-0.250
Freedom of the City – Merchant Navy	-0.005
Support to Leisure Centres	-0.800
Underwrite to leisure Operators	-1.000
Support to Swansea Market	-0.500

Pipe House Wharf relocation lease costs	-0.057
School 3G pitch Support	-0.025
Communications/PR improvements	-0.010
City of Sanctuary floral badge	-0.001
Coroners ICT	-0.040
Market Rents	-0.035
COVID ICT agile/homeworking costs : staff & members	-0.320
COVID extension of waiver for staff parking permits –loss of income.	-0.300
COVID Wales National Pool support	-0.350
COVID Extending Rent concessions	-0.117
COVID George Hall temporary meeting arrangements.	t.b.c
COVID Reduction in Car Park charges	-0.185
Used to reduce service overspending	-5.932
Balance 31st March 2021	0.000

The above table lists current potential calls on the budgeted contingency fund. All bar the Strengthening of Finance (which will be a proposed budget adjustment for 2021-22) are anticipated to be one off costs .The final amounts will be dependent on a number of factors during the year including speed of implementation, actual costs/commitments incurred and final Directorate outturn position. Spend approvals will be deliberately limited to seek to maximise underspend here as part of mitigating budget savings action.

As at 1st April 2020 some £3m remained within the Restructure Reserve to contribute toward ER/VR or other cost risks that may arise in 2020-21. The S151 officer remains satisfied that this is sufficient for 2020-21 and that there should be no call on contingency this year to fund such costs. The final costs of ER/VR will only be known towards the end of the year once all management actions re savings proposals etc are implemented. At this stage it is assumed that all ER/VR costs will be able to be contained within the sum left in the Restructure Reserve.

Based on current forecast the S151 officer proposes to utilise the current year forecast underspend on the Contingency Fund of £5.932m to provide additional mitigation against the anticipated unfunded elements of cost/loss of income as a result of COVID19 in either 2020-21 or, if outturn improves, as part of the further recovery phase in 2021-22 .

The S151 officer proposes to reserve his final position on the recommended levels of use of the restructure reserve and contingency fund until the absolute success or otherwise of reducing the forecast overspend is known at year-end.

- 3.3 The current indication is that, for 2020-21, there needs to be continued targeted mitigating action and delivery of savings proposals to help reduce the overall service overspends. It looks inevitable as this early stage that substantial draws from earmarked reserves will be needed to achieve a fully balanced budget for the year. Any inroads to net spending will reduce the necessary draw from reserves and increase the amount of reserves available to carry into 2021-22.

3.4 The action being taken includes working through existing plans on an accelerated delivery basis:

- Management and Business Support Review: ongoing review of the management structure across the Council and future requirements given the Council's priorities, future challenges and the changing nature of the role of managers
- Reducing the Pay Bill: review of options to reduce employee costs across the Council as part of our overall future workforce strategy (subject to trade union consultation at the appropriate time)
- Commercialism through third party Procurement Savings and Income Generation: review of further options to increase income from fees and charges, trading etc, in addition to the targets already set for 2020/21
- Progressing implementation of final phases Commissioning Reviews and Cross Cutting Themes.
- Further implementation of the Social Services Saving Plan through which we have identified mechanisms for bringing down overall costs.
- On the basis that these are existing agreed actions fully set out in the agreed budget set by Council in March, whilst wholly recognising the ability to progress any of the above have been seriously impacted by Covid 19.
- Continuing the extant spending restrictions which have been agreed as necessary by Corporate Management Team.
- Directors detailed action plans which are summarised in their commentary in Appendix B.
- The Deputy Chief Executive continue to take forward implementation of the recovery plan approved at Cabinet to agree alternative mitigating actions and future steps, including the detail of the successor programme to Sustainable Swansea more suited and fitted pan and post Covid 19 and Brexit.

3.5 It should be noted that at this time, although the Council continues to pursue a number of VAT related claims, some are more advanced than others, there is NO certainty of windfalls from VAT refunds or any other external source being received in the current year.

4. Revenue Budget Summary

4.1 The position reported above reflects the best known current position and shows a net £17.14m of shortfall in service revenue budgets, almost entirely in relation to anticipated costs/loss of income as a result of COVID19 which when combined with a forecast £3.8m shortfall in Council Tax collection leads to a total shortfall of £20.94m. Some additional £7.07m (incl £0.78m re schools costs not included in 2.7) has, since the previous report, actually been received or confirmed from WG in relation to service additional costs/loss of income claims as per 2.7 above. It is assumed that all the TTP costs will also be recovered and for 2020/21 and some £2.8m is included at this stage. It is also possible that Council tax losses, or part of them at least, will be met by future WG grant support but this is yet to be assured. In addition as identified above further mitigation is anticipated from the Apprenticeship/Inflation provision of £1.9m and Contingency fund of £5.932m. Whilst not able to be estimated until the year end the current pandemic is likely to lead to a substantial increase in bad debt provision, which in conjunction with the above additional costs and mitigation, could result in an overall net overspend of £4m by the year end.

Summary

Service Forecast overspend	£17.14m
Council Tax shortfall	£3.8m
Less Mitigating	
COVID grants received not incl in service forecasts	-£7.07m
COVID claims submitted no response from WG yet – assume will be received.	-£1.3m
Future covid claims re council tax losses - assumed	-£0.9m
TTP costs recovered	-£2.8m
Apprenticeship/Inflation	-£1.9m
Contingency Fund not currently utilised	-£5.9m
Net overspend forecast	£1.07m
(Plus any potential Bad Debt provision movement at year end)	

In addition, as outlined below, there is an anticipated underspend on Capital Charges of some £7.5m which will be utilised to replenish any calls on the Capital Equalisation Reserve made to meet any unfunded elements of the COVID19 costs arising in year.

NB Further claims for re-imburement of both expenditure and loss of income continue to be submitted to Welsh Government in accordance with their criteria. Based on previous expenditure claims submitted (and subsequently paid to date) it is considered reasonable that as a minimum some additional £1.3m is likely to be paid on claims submitted and is therefore included above.

Any additional WG funding towards the additional costs or loss on income received from WG in relation to COVID19 costs /loss of income included in table 2.3 above will further reduce the overall budget shortfall and thus why a target of “no worse than £4m” is recommended to be kept by Cabinet and by the S151 Officer on a truly exceptional one off basis.

- a. All revenue grant income from WG in relation to COVID claims for the services, including schools that has not yet been allocated “back” to departments is allocated in line with claims paid together with any additional claims cash received as part of the year end accounts.
- b. Corporate Management Team have reinforced the expectation that both service and overall net expenditure **must** be, as far as practicable, contained within the relevant limits of the current year budget as set by Council, and certainly within any agreed level of tolerance set by Cabinet on the advice of the s151 Officer, recognising the extreme nature of the Covid 19 impact.
- c. As previously mentioned, it is too early to provide an accurate forecast as to the potential outturn on corporate items such as Council Tax collection which is in itself potentially affected by the effects of welfare reform measures, an often increasing tax base, but equally a substantial deterioration in the economy and employment which may inhibit individuals ability to pay tax already set and due. .
- d. Included in the projected budget for 2020/21 for other corporate items are capital finance charges. At Quarter 3, a significant variance of -£4m and £-3.5m is forecast for Principal Repayments and Net Interest Payments. The reasons for the significant variances are twofold, understandable capital slippage in year due to

Covid 19 pandemic and also the projected impact of the implementation of the Revised MRP Policy approved by Council in Dec 2018 where the revised policy would result in early year savings but with the expectation that these be reserved for the projected marginal increase in MRP payments in later years, albeit equalising the repayment of borrowing over the lifetime of the created asset. Council has previously approved that any underspending or overspending will be transferred at year end to or from reserves. The S 151 Officer reserves the right to recommend the temporary use of some of these balances to address in year Covid 19 budget pressures as identified in section 2.3 of this report.

- e. There continue to be risks around general inflationary pay and price pressures in the forthcoming year including increases to the National Living Wage from April 2021 which will significantly impact contractors to the Council in some service areas. It will also put further pressure on the lower end of the current local government pay spine in future years. The current year national local government pay award offer has been finalised at 2.75%, as budgeted and there is a now an agreed new pay offer for teachers worth up to 8% for some teachers (3.25% for majority), and part of the excess will be funded by WG by way of a one off specific grant. Whilst all are entirely welcomed from a policy perspective, nevertheless the Council simply cannot afford to fund them in isolation, unless additional permanent support is forthcoming from the UK and Welsh Governments, otherwise savings will have to be made elsewhere to meet such pressures longer term. Pressures are now much more likely to be dampened by UK government policy announcements around expectation for a near freeze in most public sector pay awards for 2021-22.
- f. Detailed monitoring of budgets will continue to be carried out and reported to Departmental Performance and Financial Management meetings on a monthly basis.
- g. It remains imperative that sustainable, but sensitive in the unusual circumstances of Covid 19, base budget savings are found to replace in year one off actions to stabilise the 2020-21 budget ahead of the finalisation of the 2021-22 budget round.

5. Capital Budget

5.1 Expenditure to 31st December 2020 is £143.797 million, summarised as follows:

Directorate	Budget 2020/21	Actual to 31/12/20	% spend
	£'000	£'000	
Resources	2,564	1,426	55.6%
People (Education and Social Services)	32,016	20,223	63.2%
Place (General Fund)	165,381	95,777	57.9%
Place (HRA)	44,088	26,371	59.8%
Total	244,049	143,797	58.9%

Expenditure on major capital schemes is detailed in Appendix C.

It should be noted that the actual spend to 31 December may only have 7 or 8 months costs relating to external invoices. The impact of COVID will have an impact on the timing and potential slippage of the original capital programme. The situation remains fluid and the full impacts of COVID continue to be monitored with capital schemes being reprofiled during the year as the impacts of timing / slippage become known. This will have an impact on the revenue Capital Financing Charges in 2020/21 and beyond.

Bay Studios Surge Hospital (Covid19)

The figures above for Place (General Fund) includes £20.974m of expenditure for the Bay Studio Surge Hospital (Covid 19). As part of the Region's response to address projected increased demand on hospital services as a result of the Covid 19 pandemic, the Authority was asked by Swansea Bay University Health Board (SBUHB)/ Welsh Government (WG) to deliver a 1,000 bed Surge Hospital on the site of the old Bay Studios in SA1.

The scheme was completed in an exceptionally short timeframe. It was conceived, designed, delivered and operational within 3 months (April – June 2020) by Corporate Building Services in partnership with our partner sub-contractors, Kier and TRJ. The full cost of the scheme has been received from SBUHB and WG.

6. Housing Revenue Account

- 6.1 The Covid situation could have a considerable impact on the HRA revenue budget in 2020/21. Whilst income collection rates have not been significantly affected, the economic impact of the crisis continues and rent income is being closely monitored. It is forecast that the current Bad Debt Provision should be sufficient. There has been a major impact on revenue expenditure with the revenue repairs budget forecast to be significantly underspent by £1m due to Covid restrictions on entering properties. This budget will continue to be closely monitored however the further restrictions could impact this figure by year end. There are also underspends on transport and employee/vacancies (£0.17m). The crisis has also understandably impacted the delivery of the HRA Capital Programme with commensurate reduction in spend and financing costs. It is anticipated that financing costs could be reduced by around £0.55m.

7. Legal Issues

- 7.1 There are no legal issues contained within this report.

8. Equality issues

- 8.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

- 8.2 The Revenue budget of the Council was approved following the application of the corporate Equality Impact Assessment (EIA) process throughout the Budget setting process. It is essential where service levels are affected by changes to the Revenue Budgets (including savings options) that the EIA process (alongside consultation and engagement as appropriate) is applied to ensure due regard is paid to the potential equality impacts of any proposals prior to decision making.

Background papers: None

Appendices:

Appendix A - Revenue Budget Projection forecast Quarter 3 2020/21

Appendix B - Directors comments on variances and action plans

Appendix C - Expenditure on major Capital Schemes

REVENUE BUDGET PROJECTION QUARTER 3 2020/21

Appendix A

<u>DIRECTORATE</u>	BUDGET 2020/21 £000	PROJECTED 2020/21 £000	VARIATION 2020/21 £000
RESOURCES	50,524	53,890	3,366
PEOPLE - SOCIAL SERVICES	124,529	126,512	1,983
PEOPLE – EDUCATION	181,887	186,785	4,898
PLACE	63,143	69,843	6,700
Additional Savings	-194	0	194
<i>NET DIRECTORATE EXPENDITURE</i>	419,889	437,030	17,141
SPECIFIC PROVISION FOR APPRENTICESHIP LEVY/INFLATION	2,850	1,000	-1,850
CONTINGENCY FUND	0	0	0
SUPPORT TO LOCAL BUSINESS	0	74,978	74,978
WG COVID GRANTS (Assured & Due to be allocated to Services)	0	-122,253	-122,253
<i>OTHER ITEMS</i>			
LEVIES			
SWANSEA BAY PORT HEALTH AUTHORITY	87	87	0
CONTRIBUTIONS			
MID & WEST WALES COMBINED FIRE AUTHORITY	13,741	13,741	0
<i>CAPITAL FINANCING CHARGES</i>			
PRINCIPAL REPAYMENTS	16,368	12,368	-4,000
NET INTEREST CHARGES	20,010	16,510	-3,500
<i>NET REVENUE EXPENDITURE</i>	472,945	433,461	-39,484
<i>MOVEMENT IN RESERVES</i>			
GENERAL RESERVES	0	0	0
EARMARKED RESERVES	-4,690	-4,206	484
<i>TOTAL BUDGET REQUIREMENT</i>	468,255	429,255	-39,000
DISCRETIONARY RATE RELIEF	400	400	0
<i>TOTAL CITY AND COUNTY OF SWANSEA REQUIREMENT</i>	468,655	429,655	0
COMMUNITY COUNCIL PRECEPTS	1,582	1,582	0
<i>TOTAL REQUIREMENT</i>	470,237	431,237	-39,000
<i>FINANCING OF TOTAL REQUIREMENT</i>			
REVENUE SUPPORT GRANT	253,660	253,660	0
NATIONAL NON-DOMESTIC RATES	85,721	50,521	35,200
COUNCIL TAX - CITY AND COUNTY OF SWANSEA	129,274	125,474	3,800
COUNCIL TAX - COMMUNITY COUNCILS	1,582	1,582	0
<i>TOTAL FINANCING</i>	470,237	431,237	39,000

Service related COVID19 funding already received from WG of c £21.6m IS included above.

Appendix B

Director's comments on budget variances

Director of Resources

The COVID-19 response has had a detrimental effect on the Resources portfolio budget for the 3rd Qtr. The TTP staffing expenditure is expected to be fully recoverable from Welsh Government.

A number of transformation projects and restructures were unable to be progressed resulting in overspends in both Customer Contact Centre, Digital Services and Transformation and Commercial services. Alternative savings plans are being prepared.

The resources portfolio has limited income streams, however, where income streams are within services, these have also been affected and unlikely to be achieved within the year.

The heads of service have and will continue to review the budgets and look for alternative ways of achieving efficiencies to balance the budget in year.

Variance	£000	Explanation and Action
COVID-19 Variation:		
Test Trace & Protect Programme (TTP)	2,800	Estimated Staffing costs of £2.6m and IT costs of £0.2m. This is fully recoverable from Welsh Government.
Oracle Cloud Project	0	Project has been delayed, however, after negotiations with Oracle it is not anticipated that there will not be any additional costs.
WCCIS Project	0	Project has been delayed, No additional costs are anticipated as a result of negotiations with NWIS.
Mobile Phones	0	No additional costs are forecasted after working with the supplier to negate the costs.
Digital services staff costs	12	Additional Digital services staffing costs at the start of lockdown to enable homeworking.
Contact centre software licences and consultancy	25	Digital Services remote contact centre software licences and consultancy to enable call handling from home.
Schools infrastructure project	39	Government directive to continue to pay consultants. Estimated additional cost as a result of continuing to pay consultants

		during lockdown and therefore elongated project timelines.
Design Print	300	Loss of trading income which relates mainly to internal recharges to Council departments.
Council Tax Reduction Scheme (CTRS)	1,000	Estimated additional costs due to additional demand. Based on the latest position it is forecasted the additional cost will be £400k less than previously reported.
CTRS WG Grant	-315	WG grant received for Qtr1 and Qtr2 is £178k and £137k respectively.
Council Tax Court Cost Income	235	Loss of Council Tax/NNDR court cost income as no court action has been taken for a significant part of the year.
Consultancy and Employee Costs	41	Additional Covid-19 costs.
COVID-19 WG Grants	-66	WG Hardship, Loss of Income and NDR Admin grant received.
Net COVID-19 variation	4,071	
Other Variations:		
Contact Centre	50	Restructure in flight to ensure sufficient resources in WTU, Complaints and a new model for Customer Services. The restructure will aim to take account of 'new normal' but will still require additional resources needed for Social Services Complaints and WTU in order to meet legal requirements.
Welsh Translation Service (WTU)	183	Welsh Translation Unit Saving from previous years cannot be achieved as requirement to maintain the service and deliver demand due to Welsh language Measures.
Commercial Services	130	Income target attributed to Commercial Services will not be achieved.
Legal Services	-612	Net underspend mainly due to vacant posts.
Other net variations	-456	Net Employee, Supplies & Services underspends, Income shortfall and unachievable savings.
Total Other Variations	-705	
Total Forecast Variation	3,366	

Director of Social Services

Social Services

Variance	£000	Explanation and Action
Covid 19 Variation		
Additional costs within Child and Family	430	The pandemic has reduced the options for placements with particular issues around care leavers. This has resulting in the Council having to secure more expensive placements than would be usual. There has also been a rise in the cost of Direct Payments as we aim to support families through this time.
Additional Costs within Poverty and Prevention	171	The Directorate has incurred additional costs in supporting those deemed especially vulnerable at this time. Support has seen increased investment in services for those at risk of Domestic Violence as well as in Welfare Rights to help them cope with increased demand. Some of these costs have been offset by the use of grant. This includes a £95k cost for the Summer Provision for Vulnerable Children which is recoverable through the hardship fund.
Lost income within Poverty and Prevention	368	The primary area of income loss relates to the Gower Activity Centres. We have also lost expected income from Adult Education.
Additional Costs within Adult Services	8,715	This is the estimated additional cost of the actions taken to increase local social care capacity and the payment of Welsh Government support to the commissioned sector.
Loss of Income within Adult Services	1,679	This loss of income relates to income received from citizens and partners in respect of our day services that closed at the time of the outbreak.
First Tranche of WG Hardship Funding	-2,278	Significant additional income will follow in Q4
Second Tranche of WG Hardship Funding	-1,325	
Other		
Other Child and Family Variances	100	It is possible that this overspend will be reduced by grant funding later in the year.
External Residential Care	-1,455	An underspend continues to be forecast.
External Domiciliary Care	-922	This underspend is a continuation of that reported in 2019/20 and has been driven by increased client income and the 'right sizing' work around packages of care.

Variance	£000	Explanation and Action
Internal Staffing and Services	-2,900	A number of grants have been received that are able to support the overall financial position. Work to ensure services are designed in a way that enables the Council to access all funding sources continues.
Third Party Spend	-51	The Directorate continues to maintain cost management approaches to ensure that our services are sustainable and we continue to pursue external partners to ensure we receive a fair income for our services.
MHLD Complex Care	604	This remains an area of pressure. Additional budget has been allocated but ongoing pressures on demand and fees remain.
Poverty and Prevention	-153	Some small savings are expected due to the management of grants.
Joint Arrangements	-1,000	A substantial underspend is expected within the Community Equipment Store due to the success of the service in attracting grant income. The Store is run as a joint arrangement between the Council, Neath Port Talbot CBC and Health Board. Underspends will be held in reserve for the future benefit of the Store.
Overall Variation	1,983	

Director's Comments

The Council's response to Covid-19 continues to dominate our financial outlook for the year. We have incurred significant additional expenditure through our response to the crisis. We continue to expect the majority of our additional costs will be recoverable through Welsh Government grant funding have aligned our processes to ensure we are successful in this.

Forecasts for Covid related expenditure and income loss are based on current WG Hardship Funding guidance and have been amended in line with the progression of the pandemic through the year.

The pandemic continues to affect our business as usual activity and we are reporting large underspends on some commissioned services that reflect a reduction in activity. Our non Covid variances continue the story from last year where we have been able to align grant income to offset the cost of our internal services.

We continue to forecast an overspend within Mental Health and Learning Disability Complex Care. Retendering has added to the pressures on fees, which have continued to increase at above inflation rates for some time.

We continue with efforts to seek fair and equitable funding contributions from our Health Service partners for the services they commission and have strengthened our systems for the recovery of client income.

Should our expectations around Hardship and Income Loss grants be met, the Directorate will deliver an underspend.

Director of Education

Variance	£0	Explanation and Action
Covid 19 Variations		
Additional direct cost of maintaining provision of lunches / food bags / BACS payments for FSM eligible pupils	3,022	Reflects significant additional food costs, considerably greater coverage of eligible families (with transitional protection), and additional provision over holidays. Work to estimate the cost of continued support in the 20/21 academic year is ongoing and not included in this forecast.
Loss of paid School Meal Income	2,250	Reflects previous year levels of take up of meals
Additional staffing costs over normal contracted hours (catering, cleaning and school support teams)	159	This is due to the support provided to settings at times when they would not usually be open such as weekends and holidays.
Additional hours for teaching assistants outside of term	120	
Additional transport, PPE, and utility costs.	342	Additional costs from the use of vehicles to support the delivery of Free School Meals, as well as the provision of PPE, continues to be scrutinised. Potential shortfall in the Face Covering Grant
Additional costs of licences to support Chromebooks and continuity of learning for pupils	24	Additional cost over and above core broadband and other IT infrastructure costs and available base budget
Loss of other income such as from school clerking services and penalty notices	10	On the basis of broad comparison with previous year – e.g. £4.2k per quarter re penalty notices
Loss of income to schools for example from school lettings and breakfast and other clubs	1,066	Reflects detailed analysis of income lost across our maintained schools.
Income Loss and Hardship Income Received	-3,768	1 st and 2 nd Tranches Received
Total Covid 19 variations	3,225	
Non Covid Variations		
Continuing additional costs of FSM transitional protection - part year impact once schools fully	335	Considerable increase in those entitled to FSM and likely to grow further with impact of lockdown. With transitional protection these numbers will be maintained without any

Variance	£0	Explanation and Action
re-open		certainty of additional core funding from WG
Additional costs of FSM provision during lockdown which cannot be reclaimed from WG under strict grant criteria	700	Additional food costs, which cannot be reclaimed from WG, from free provision of care lunches to all pupils, over ordering by schools of food bags / parcels, and donation to food banks of food items not required due to changing expectations of food parcel contents
Loss of additional paid meal income from previously proposed MTFP increased prices (April 20 and Sept 20)	205	£125k loss of income from decision to remove increase from April and a further £80k part year impact with no increase in September
Home to School Transport - further underlying cost pressures and undeliverable savings target relating to creation of additional walking routes, allocated from Place Directorate	442	MTFP reflects robust management action to mitigate scale of demand and cost pressures but underlying pressures continue to grow. Further shortfall due to undeliverable savings target allocated to Education, with no influence in its determination or delivery
Continuing Additional Learning Needs demand and cost pressures	192	Significant impact of management action to manage demand and cost pressures reflected in MTFP, but challenges remain
Out of County Placements - undeliverable savings without further specialist provision within County	-96	Direction not to proceed with actions necessary to bring forward delivery of scale of additional Special School Places required
Implications of school decisions on SLA buy back on services	50	Reflects existing pressures on areas such as Music Service, as far as possible mitigate by robust management action
Additional cost for schools of corporate decision relating to average payments to staff	160	A local decision and so not reclaimable against WG funding for COVID 19
Additional staffing costs for schools due to freeze on ER/VR processes	100	Costs will increase further if HR redundancy processes cannot re-commence before September but may be able to mitigate from WG grant
Additional civic catering costs with decision to freeze closure	63	Reflects continuing shortfall exacerbated by loss of any income from sales for the lockdown period - could increase if closure further delayed
One-off additional contribution to Regional Improvement Partnership	82	Agreed for 2020-21 only, before Swansea withdraws from ERW from April 2021

Variance	£0	Explanation and Action
Capita One - one-off cost to have been charged to, and contained, within available 2019-20 budget	30	Proposed carry forward to reflect this one-off cost was not supported
Capita One annual maintenance costs - more than offset by savings in Corporate Digital Services budget but requiring an appropriate budget transfer	32	Highlighted as a potential continuing overspend until an appropriate base budget transfer from Digital Services is approved
Other continuing pressures (Primarily Historic Pension Costs, Maternity etc)	700	Will continue to be scrutinised to as far as possible mitigate pressures
One-off managed savings with delay to full implementation of new EOTAS model	-700	Further managed savings can be delivered whilst the new EOTAS model cannot be fully implemented
One-off managed savings identified in year in addition to those already reflected in MTFP	-622	Continuing robust management action will seek to identify further savings in addition to MTFP requirements
Net non-Covid 19 projected overspend	1,673	Reflects impact of decisions preventing the delivery of current year MTFP savings assumptions and unrecoverable additional Covid-19 costs
TOTAL PROJECTED PRESSURES	4,898	

The closure of schools has had a significant budgetary impact on the Directorate and is the primary cause of the variations reported above. We continue to align our processes in a way to ensure that we maximise the grants available to support us through this period but there is clearly a risk that some costs may not be fully reclaimable.

The non-Covid 19 projected overspend is more than accounted for by the impact of WG or local decision which has increased the uncontrollable and statutory cost pressures, prevented the delivery of significant elements of current year MTFP savings assumptions, and incurred unrecoverable additional Covid-19 costs in part underwritten by S151 Officer.

There are other areas of identified demand and cost pressures, in spite of the continuing delivery of the Education strategy, but these are anticipated to be more than offset by further one-off managed savings in addition to those already reflected in the MTFP. However, the underlying base budget shortfall facing the Education portfolio budget, potentially at almost £1.9m, is clearly of concern even though almost £1.2m directly reflects the full year impact of national or local decisions.

In line with corporate processes, the figures do not account for outstanding Covid Hardship and Loss of income figures that have not been distributed to the directorate. When this is accounted for, the figures reported will improve by £2.8m.

Director of Place

The directorate is currently projecting a £6.7m overspend which is significant and unprecedented (excludes expected quarter 2 loss of income and September/October Hardship Covid Grant of £2.8m currently held centrally, which when allocated to directorates would improve the forecast outturn in Place to an overspend of circa £3.9m) . The reason for this is the additional costs incurred on Covid related matters, plus the lost income across a range of services areas due to the inability to carry out work or recharge for services. This projected out turn will be revised as further clarity is obtained from Welsh Government as to the level of support provided for both expenditure and lost income. There are some other "non Covid" projected overspends as is often the case but as in previous years the directorate would have achieved a balanced budget had it not been for COVID related implications.

Appendix C

Capital expenditure on major schemes to 31 December 2020 (where spend greater than £250k)	£000's
People	
EOTAS new build	4,555
Gorseinon primary new build	2,178
YGG Tan-y-Lan primary new build	2,656
YGG Tirdeunaw primary new build	2,784
YGG Gwyr secondary extension	1,848
Bishopston Comprehensive refurbishment	4,460
Pentrehafod remodelling	278
Hendrefoilan RICs scheme	427
Early Help Family Support hubs	330
Resources	
ERP System Upgrade	517
Hwb-in-schools infrastructure	536
Agile and Mobile IT equipment	332
Place	
City Centre Development Phase 1 (Arena schemes)	48,348
Kingsway Infrastructure	2,479
Kingsway Offices-Design & Plan	730
Hafod Copper Powerhouse scheme	781
Palace Theatre Redevelopment	564
Wind Street improvements	290
Corporate Building Services (including schools)	6,577
Highways - Baldwins Bridge / Fabian Way	486
Highways carriageway resurfacing including invest to save	4,648
Highways - Active Travel fund schemes	879
Highways - Drainage works	572
Highways - LTF Broadway interchange	861
Vehicle replacement scheme	1,370
New equipment for Corporate Transport Unit	283
DPD fitout and adaptations	672
Energy efficiency scheme with Salix Energy	338
Disability Facilities Grants	1,736
Mini adaptation grants	311

Leisure Centres (Freedom Leisure schemes)	265
Absorbent waste scheme	889
Bay Studios Surge Hospital build for SBUHB managed by CBS	20,974
HRA	
HRA capital programme (More Homes schemes)	4,422
Wind and Weatherproofing (including West Cross)	5,516
External Facilities	4,630
HRA Kitchens & Bathrooms	7,186

Total scheme value where spend greater than £250k 136,708

Agenda Item 9.



Report of the Section 151 Officer

Cabinet - 18 February 2021

Medium Term Financial Planning 2022/23 - 2025/26

Purpose:	This Report sets out the rationale and purpose of the Medium Term Financial Plan and details the major funding assumptions for the period and proposes a strategy to maintain a balanced budget.
Policy Framework:	Medium Term Financial Plan and Budget Strategy
Consultation:	Legal Services, Access to Services, Cabinet Members and Corporate Management Team
Recommendations:	It is recommended that:- 1) The Medium term Financial Plan 2022/23 to 2025/26 be recommended to Council as the basis for future service financial planning.
Report Author:	Ben Smith
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar

1. Introduction and Background

- 1.1. Service and financial planning continues to be undertaken against a backcloth of increasing service pressures and demand. This year in particular there is the added pressure and uncertainty of the COVID-19 pandemic. This has affected short-term planning and is expected to continue impact the budget in the medium term.
- 1.2. The Medium Term Financial Plan (MTFP) is an overarching strategy that:
- Covers four future years.
 - Forecasts future known additional spending requirements, likely resources and potential funding shortfalls.
 - Links to the Council's adopted strategy '**Swansea – Achieving Better Together**' as a means of addressing future budget shortfalls.

- Links to the Council's revised Corporate Plan, "Delivering for Swansea" and the delivery of our top 6 priorities.
- Has due regard to our duties under the Well-being of Future Generations Act 2015.

Future detailed Service planning will need to be undertaken within the financial assessments and forecasts contained within the Medium term Financial Plan.

- 1.3. **It is important to understand that the MTFP does not constitute a formal budget in respect of the period 2022/23 to 2025/26 and as such the indicative annual assumptions included both within the projected spending pressures detailed in Sections 2 and 3 of this report, and the potential funding detailed in Sections 4 and 5, will be subject to a full review and decision making process as part of each of the annual Revenue Budget and Council Tax setting decisions.**
- 1.4. Instead, the MTFP is intended to outline, in broad terms, the specific service and funding issues over the four year period and how the Council will, within its financial constraints, fund its priorities and achieve major service change and savings.
- 1.5. It is essential as a planning and review tool in order to assess, on an ongoing basis, base assumptions around service pressures and progress against delivery of savings.
- 1.6. The plan serves to highlight the trend for increasingly uncertain times ahead in terms of funding for this Council and Local Government in general, as well as the service pressures that the Council faces from rising demands and increases in demography, together with potential funding pressures arising from ambitious plans for capital development.
- 1.7. Importantly, it is essential that the MTFP is a 'living' document that is subject to regular review and revisions as more information becomes available and risks are updated. As such, it is anticipated that, along with close monitoring of the specific budget proposals and savings targets for 2021/22, further reports to Cabinet regarding the MTFP will be made as necessary. In particular, the Mid Term Budget Statement in the autumn of 2021 will provide a key update on the financial outlook and delivery of savings.
- 1.8. The MTFP is one of many documents that are produced in terms of financial planning and control. These include:-
 - The annual Revenue and Capital Budgets of the Authority
 - The annual HRA Capital and Revenue Budgets
 - The formal quarterly budget monitoring reports presented to Cabinet
 - The Mid-term Budget Statement intended to be produced each year as an aid to strategic review on progress
 - The Revenue and Capital Outturn Statements taken to Cabinet following year end

- The Statement of Accounts produced and approved by Council annually.
- 1.9. The MTFP is intended to form a logical flow from an assessment of forecast resources over the medium term through each step of a structured planning process for future years and as such it specifically details:-
- | | |
|-----------|---|
| Section 2 | Overview of financial planning environment 2022/23 – 2025/26 |
| Section 3 | Detailed spending and resources forecast 2022/23 – 2025/26 |
| Section 4 | Strategy to address future savings requirements |
| Section 5 | A summary of the Medium Term Financial Plan and Swansea – Achieving Better Together Strategy. |
| Section 6 | Medium Term Financial planning for Schools |
| Section 7 | Risks and issues surrounding the MTFP |
| Section 8 | An assessment of reserves |
| Section 9 | Legal and Equalities implications |

2. Overview of Financial Planning Environment 2022/23 to 2025/26

- 2.1. The Medium Term Financial Plan (MTFP) report considered by Council on 5th March 2020 included a service and financial overview. This was updated in the budget proposals report given to Cabinet in January 2021 and is updated further below.

Economic Outlook and Prospects for Public Finances

- 2.2. The announcement of the provisional Revenue and Capital Settlement for 2021/22 has resulted in an overall cash increase of £13.261m in 2021/22 compared to 2020/21. There has been one transfer into the settlement in respect of Teachers Pay (£0.297m). There is an increase of just under £13m in block grant after allowing for this change. Whilst this is a much appreciated, substantial increase, it needs to be set in the context of the forecast cost of pressures faced by this Council – over £30m for 2021/22 alone.
- 2.3. The current economic climate continues to be uncertain, even more so at the moment, and the Welsh Government acknowledged in their letter to all Local Authorities that local government is facing significant pressures. There is and will continue to be uncertainty over the UK's relationship with Europe and the impact on Wales post Brexit as well as the on-going impact of the COVID-19 pandemic. It is still the case that the Section 151 Officer assumes the Welsh Government budget will be expected to reduce in real terms over the latter period to 2025/26 notwithstanding the short term boosts for the current and next year budget.
- 2.4. Of course, the level of Welsh Government devolved Block Grant is not the only determinant of Welsh Government support for Local Authorities. It is likely that further delegation and transfer of powers and rights from Westminster to Cardiff, including full devolution of matters relating to business rates, together with further tax changing/raising powers, may impose greater or lesser financial risks to Welsh Government than is currently the case.

There is also the fact that Welsh Government has to decide on its own cross-sectoral allocation of devolved funding to public services in Wales.

- 2.5. Whilst it is a very positive provisional settlement for 2021/22, there is no certainty that it can continue at such a relatively high level in future years and, in addition to possible real terms reductions in future core funding, the Council also has a wide range of service and demographic pressures which will inevitably impact on demand for services. Equally clearly, there is a potential for further UK Government announcements to impact on costs borne by the Council, particularly in respect of any changes to taxation. The clear example is of the changes to the National Living Wage, which will add around £1.3m to the Council's annual costs.
- 2.6. As mentioned above, a further complicating factor over the period of the MTFP involves proposals to devolve tax varying powers from Westminster to the Welsh Government. Whilst this notionally impacts primarily on individual taxation, potential devolution of National Business Rates (NDR) has the potential to impact directly on Local Authority budgets and risk. Latest proposals, for example, are to devolve the cost of welfare provision in Wales to the Welsh Government with all the risk regarding cost movement.
- 2.7. In terms of core revenue funding, the provisional Revenue settlement issued by the Welsh Government in December 2020 gave a settlement level for 2021/22 only. There has been no indication beyond 2021/22. This leaves Authorities having to make their own assumptions regarding levels of Aggregate External Funding during the period of the Medium Term Financial Plan, based on an assessment of UK and Wales financial planning and announcements.
- 2.8. All this of course has to be set against a backdrop of significant global instability where events can impact significantly – and at short notice – on the UK economy and the overall UK economic outlook.
- 2.9. For the purposes of the planning assumptions, it is simply not possible to forecast with any certainty the level of funding that is likely to be received from Welsh Government on an annual basis over the period of the MTFP. Instead it is intended to forecast a range of potential funding scenarios, each of which will result in differing financial forecast for the Council over the period covered. The forecasts will be updated using the mid-term budget statement to Council each year to reflect the best information available on a rolling basis. For the purposes of the MTFP, forecasts will be based around a range of scenarios between a reduction of -3%, cash flat (0%), an increase of 1% and an increase of 3%. Although settlements have been positive in recent years future year reductions are now a possibility. These are scenarios to demonstrate the range of possibilities and are entirely contingent upon UK and Welsh Government future budget decisions.

Year	AEF Reduction @ -3% £'000	AEF Standstill @ 0% £'000	AEF Increase @ 1% £'000	AEF Increase @ 3% £'000	AEF Increase @ 5% £'000
2022/23	-10,600	0	3,400	10,600	17,600
2023/24	-10,300	0	3,600	10,900	18,500
2024/25	-10,000	0	3,600	11,200	19,400
2025/26	-9,700	0	3,600	11,600	20,400
Cumulative	-40,600	0	14,200	44,300	75,900

Note that the above scenarios are based on the provisional AEF for 2021/22 of £352.642m as announced in December 2020.

The above represents a spread in terms of potential overall increases over the life of the MTFP, which will have to be updated on a regular basis.

The compounding effect of this key assumption is substantial over the life of the MTFP – the savings ask could be considerably higher if the actual increase is less than the 1% used as a planning assumption or considerably less if the settlements are more than assumed.

- 2.10. During the timescale of the MTFP there are a significant number of events which could impact on some of the major assumptions made. These include:
- Any voluntary or joint arrangements, including regionalisation, in lieu of compulsory Local Government reorganisation in Wales;
 - Wider events that could impact on the Global economic position;
 - The impact of the final exit package agreed by the UK Government in respect of Brexit.
 - The on-going impact of the COVID-19 pandemic

Support for Capital Programmes

The provisional settlement indicated support for future General Fund Capital programme at a level of £12.762m for 2021/22, a disappointing decrease of £0.222m compared to 2020/21. Part of this is as a result of the removal of the last share of the tapered £100m allocated across 3 years from 2018/19. This support is through a mix of General Capital Grant and support for borrowing. Wider capital support elsewhere is however very significant and must be equally recognised.

Planning assumptions over the life of the MTFP are based on unchanged levels of capital support, in the absence of any further indications from the Welsh Government.

As reported elsewhere on this agenda, in the Capital Budget & Programme 2020/21- 2026/27 Report, there is an ambitious capital investment

programme. This includes the largest component of the capital programme, the £201.12m 21st Century Schools Programme (the original Band A £51.62m and the current Band B £149.5m) and major capital schemes flowing from the Swansea Bay City Deal including the Digital Village (£30m subject to final confirmation), Swansea Arena and Swansea Central City Centre Development (£135m).

The Swansea Bay City Region Deal is subject to substantial grant and loan funding support, the first tranche of which is expected to be finally received in this financial year. The capital programme 2020/21 – 2026/27 will also require significant unsupported borrowing to be undertaken to enable completion.

During 2020/21 the capital programme was revised substantially because of the COVID-19 pandemic. At the outset of the pandemic, this included designing and building the Swansea Bay Field Hospital within 3 months, the cost of which was fully recovered from the Welsh Government. The Field Hospital has subsequently been modified to support the delivery of the Welsh COVID-19 Vaccination programme.

Also included in the proposed programme is a significant capital allocation to help the City recover from the economic impact of the COVID-19 pandemic.

- 2.11. The total estimated cost of the Band B schools programme envelope is £149.5m (if the potential aided sector scheme is excluded this amounts to £141.3m). Of this total, £126.25m is from traditional capital funding, requiring (after allowance for realisable capital and other receipts) a net local funding requirement of £35.848m. The remaining £23.247m (or £15.032m if the potential aided sector scheme is excluded) is expected to be delivered through revenue funding (Mutual Investment Model), which would require no local capital funding contribution but incur an annual charge once the accommodation and facilities are completed. An equivalent local share of the capital cost would be £2.856m although the 25% local contribution would apply to the annual revenue charge.
- 2.12. The capital financing strategy underpinning the capital budget seeks to maximise grants, supported borrowing, contributions and capital receipts in order to minimise the need to borrow. The borrowing requirement identified to support the capital programme is significant and shall require substantial revenue support to service. The revenue implications are reported in the Revenue Budget elsewhere on this agenda. The revenue implications are considered affordable and sustainable over the cycle of the programme.
- 2.13. As indicated above, the position remains that should such capital receipts not materialise the Council will have no option but to consider reductions in spend, seek alternative sources of funding or, as a last resort, consider additional borrowing which shall place a further burden on revenue finances.
- 2.14. In the recent past, the Council has sought to minimise its external borrowing by the use of internal funds, which is entirely consistent with good Treasury Management policy given historic low interest rates on investments and

avoiding the 'cost of carry', which has served this Authority well. Sustained internalisation of borrowing requirement and the significant funding required for the capital programme 2021/22 onwards and the planned medium term depletion of earmarked Reserves and Provisions means that externalisation of this funding has become inevitable. It is clear that the Council has an opportunity to progress this at a time when external borrowing rates are at an all-time low. Thus, following the removal of the HM Treasury imposed 1% premium on borrowing in November 2020, this strategy of averaging in external debt will continue to be undertaken in 2021/22 and beyond as opportunities arise.

- 2.15. It should be noted however, that even with borrowing rates as low as they are, externalising of borrowing is still likely to have a material impact on revenue finances going forward.
- 2.16. It remains the case that each year the Council sets aside a significant amount of money (c £10.6m 2019/20) called the Minimum Revenue Provision (MRP) towards the repayment of debt. This provision is in line with the Council's existing MRP Policy, which was revised in 2018/19. This effective repayment will have to be taken into account when evaluating overall borrowing levels and the ability to service any additional borrowing requirement.
- 2.17. The additional capital investment identified above will attract significant grant funding (especially 21st Century Schools and Swansea City Region Deal), however the programme will still require a material unsupported borrowing to enable completion alongside the use of capital receipts as they are realised. Furthermore some schemes have the potential to provide additional revenue streams of property income, or, subject to agreement, in due course, with Welsh Government, retained elements of non-domestic rates or possibly tax increment financing as further powers devolve to Welsh Government and then on to local government.
- 2.18. Notwithstanding this scale of ambition, each major scheme will, as always, be considered on the overall merits of each business case, both in capital cost, and revenue income streams where appropriate. Unsupported borrowing will be undertaken on a phased basis within the overall envelope for affordability.

3. Detailed Spending and Resources Forecast 2022/23 to 2025/26

- 3.1. The Capital Budget report forecasts capital spending and resources in the period covered by the MTFP. The MTFP has been lengthened by one year to include the peak of the financing costs of the capital programme.
- 3.2. In terms of the Revenue Budget, and in the context of financial planning over the period of the MTFP, the overriding issue is likely to be the need to make significant ongoing savings in Service Expenditure in order to meet known and anticipated spending pressures.
- 3.3. The following table represents the expected funding requirements (based on current policies and decisions) for the period of the MTFP – **these are**

pressures and must be read in conjunction with the funding plans and indicative solutions set out in 5.4:

Projected Spending Pressures/Funding Deficiency 2022/23 – 2025/26

	Note	2022/23	2023/24	2024/25	2025/26
		£'000	£'000	£'000	£'000
Future cost of pay awards	1				
- Non Teachers		1,900	3,800	5,800	7,800
- Teachers (Local top up required)		1,400	2,900	4,300	5,800
National Living Wage – pay bill	2	400	800	1,200	1,600
National Living Wage – contracts		700	2,000	3,500	5,700
Increase in Pension Costs	3	0	2,100	4,200	6,300
Cumulative contract inflation	4	1,000	2,500	4,000	5,500
Capital charges - new scheme aspirations	5	1,250	2,500	3,750	5,000
Capital charges – savings as a result of increased grants and thus reduced borrowing – general capital and Band B schools	5	-200	-200	-200	-200
MRP review linked to capital programme	6	350	687	1,011	1,321
Use of reserves to smooth capital charges impact	7	3,000	2,000	3,000	1,000
Contingency	8	253	304	292	518
COVID-19 recovery stretching the capital programme by further £20m	9	500	900	1,200	1,300
Remove one off funding for COVID-19	10	-4,000	-7,000	-7,000	-7,000
Reinstate temporary use of Insurance Reserve	11	0	700	700	700
Demographic and Service pressures	12	3,000	6,000	9,000	12,000
Mid and West Wales Fire authority Levy (independently decided by the Fire Authority)	13	400	800	1,300	1,800
Council Tax Support Scheme	14	1,200	2,400	3,900	5,400
Agreed Service Pressures	15	2,250	3,815	3,980	4,198
Total known pressures / investment into services		13,403	27,006	43,933	58,737
Total Savings Requirement		4,362	8,483	15,633	20,833
Net Funding Requirement		9,041	18,523	28,300	37,904
All in addition to the net £22m set out in the separate budget report for 2021-22					
Aggregate External Finance Increase @1%	16	3,439	7,039	-10,639	-14,239

Council Tax Assumption at 5% (see Section 4)	17	5,602	11,484	-17,661	-23,665
Total Resource Investment		9,041	18,523	28,300	37,904

Alternative scenarios at differing levels of Welsh Government Support – if AEF turns out to be higher or lower than the planning assumption of 1%

Additional Money Available for Investment if 3% AEF		2,799	5,978	6,428	9,228
OR					
Total Savings Requirement needed if 0% AEF		7,801	15,522	26,272	35,072

Note:

1. *The pay award figures represent an average forecast increase of 1% for the period of the MTFP for non-teachers and teachers, following the Chancellor's UK Spending Review and broad pay freeze.*
2. *Assumed increases due to implementation of National Living Wage - will affect contract prices and lower end of own pay scale.*
3. *The latest forecast from the triennial revaluation of the local government pension scheme effective from 1st April 2020 indicated a 0% increase per annum. This has been updated to an expected 1.5% increase from 2023/24 when the next revaluation takes effect.*
4. *Reflects the assumed minimum cumulative effect of contract inflation.*
5. *The initial additional estimated borrowing costs for the delivery of the major aspirational capital programme, and the estimated savings due to increased grants for general capital and Band B schools.*
6. *The on-going increases associated with reviewing the MRP policy in line with the report to Council on 20th December 2018. The immediate baseline saving was taken in 2018-19 and the ongoing benefit reduces year on year (shown thus as a pressure).*
7. *Cabinet have prudently built up earmarked reserves to reduce the impact of increased capital charges in respect of new schemes, and targeted use of these reserves is now being built into the MTFP.*
8. *A small sum to be added to the contingency to allow for changes to (for example) the estimates on levies.*
9. *An additional £20m can be spent on the capital programme as a response to the COVID-19 pandemic, as an aid to recovery. This shows the future revenue costs of that additional borrowing.*
10. *The phased removal of temporary additional local resources invested to deal with the impact of COVID-19.*
11. *The 2017/18 budget report agreed an annual take from the insurance reserve on a temporary basis, after which the use of the reserve will need to be re-instated. This is now extended until 2022/23, which the Section 151 Officer considers reasonably prudent having due regard to the latest insurance valuation advice.*

12. *Assumed Demographic and Service pressures mainly around Schools and Adult and Children's Services. Increased as a direct result of the COVID-19 Pandemic and the need to buy extra Personal Protection Equipment (PPE).*
13. *Estimated Fire Authority Levy increase.*
14. *Reflects the assumed cost of Council Tax Support Scheme costs based on Council Tax increases as a planning assumption only at this stage.*
15. *The future year impact of service specific savings agreed as part of the 2021/22 budget report.*
16. *Reflects the middle ground assumption that the local government finance settlement for future years will stabilise in cash at an increase of 1.0% pa.*
17. *Reflects the Council Tax assumption of 5% as detailed in Section 4.*

3.4. As stated, this forecast contains limited provision for increases in net service costs, in particular there is no provision for :-

- Any increase in costs arising from decisions on Government taxation – most significantly increases arising from landfill tax costs.
- Corporate costs in excess of budget provision in respect of issues relating to higher than assumed employee costs (higher than 1% pay awards), or bigger movements in minimum statutory wage.
- Any one off costs arising from changes to service delivery across the Council, including transformational change.
- Any general inflation provision relating to non-contractual issues.
- Any increased costs or reductions in income arising from ongoing changes to welfare reform, in particular the full introduction of Universal Credit during the lifetime of the MTFP.
- Any budget changes arising from further regionalisation of any services, including the creation of a Corporate Joint Committee. Whilst likely, no legislation yet exists and no indication of future funding has been determined as the proposed CJs are yet to exist to set their own budget.
- Any increases in Capital financing charges beyond those allowed for which is dependent on the Council achieving a level of capital receipts as detailed within the Capital budget submitted for approval elsewhere on this agenda and is wholly dependent on decisions around potential externalising of internal borrowing.
- Future funding decisions in respect of protection for Social Services or Delegated Schools' budgets which may be specified by the Welsh Government in future budget settlements.
- Any potential downward movement in service specific grants, some of which we have experienced at short notice in the past.
- Any ongoing increase on non-funded schemes including the Teachers' Pension Scheme at a future date.

3.5. The Welsh Government has proposed legislative changes around Local Government and Elections (Local Government and Elections (Wales) Act 2021). There are likely to be financial implications arising from this, however until more detail and implementation timescales are known this can only remain a risk for future consideration.

4. Strategy to Address Future Savings Requirements: Sustainable Swansea – Fit for the Future and Swansea – Achieving Better Together

- 4.1. The scale of the financial, demographic and sustainability challenge requires the Council to continue to adopt a radically different approach to previous years. An approach that focused on:
- *The core future purpose of the Council*
 - *The transformation of services and the model of delivery*
 - *Greater collaboration with other councils and local organisations, community groups and residents*
 - *And, above all, sustainable solutions with prevention at its heart.*

This ambition was set out in *Sustainable Swansea – fit for the future*, our long-term plan for change, underpinned by our Innovation Programme.

- 4.2. The Sustainable Swansea Strategy was agreed by Cabinet and reported to Council in October 2013. The Delivery Programme was approved by Cabinet on 29 July 2014 and was subject to further review and refresh at Cabinet on 16th July 2015.
- 4.3. A major refresh undertaken in 2020 recognised that it has successfully delivered the bulk of £70m worth of savings asks, and enabled the Council to maintain services, performance levels and protect jobs during a period of austerity. However, there are now new challenges and opportunities arising from the new Local Government and Elections (Wales) Act as well as a changing national political landscape and economic uncertainty including COVID-19 and post-Brexit risks.
- 4.4. Thus, in October 2020 Cabinet approved the new Swansea - Achieving Better Together Transformation Strategy and Programme Framework to strengthen the changes needed due to current circumstances. The new programme builds on and strengthens the Sustainable Swansea approach, and the strategic aims of Swansea – Achieving Better Together will now focus on:
- The core purpose of the Council
 - Transforming services to be effective and efficient
 - Greater collaboration with other Councils, organisations, community groups and residents, with a focus on regionalisation
 - Balancing the budget for current and future years
 - Greater and more meaningful engagements with our residents and community
 - To meet aspirations and targets within the Medium Term Financial Plan

Our Service Priorities for 2021/22 and the MTFP Period

- 4.5. Although the Council is currently focused on a plan to save an additional £55m over the period of the MTFP (since revised as per the January 2021 Budget Proposals report to Cabinet), it is vital to continue to retain Member and management focus on the significant proportion of our budget that

remains. Our gross budget is just over £750m (excluding Housing Services (HRA)) and we spend just under £1.8m a day on services to residents.

- 4.6. The Council has clear and strong long term ambitions for Swansea and the proposals for savings must be seen in the context of the following:
- The Council's top 6 priorities and future plans for services to help deliver the well-being of future generations
 - The strategic aims of Swansea – Achieving Better Together – which embrace all we do
 - The application of the budget principles – which guides decision making
 - The ongoing and sustained real terms reduction in external funding and the need to meet known budget pressures.
 - All set within the context of the current COVID-19 pandemic.
- 4.7. The Council's overall aim is to protect frontline delivery of services as far as possible. However, whilst many things are important, not everything can be a priority. It is important, therefore - particularly in the current climate of significantly reduced resources - to set out clearly our expectations on all services and relative priorities for funding in the context of the budget reductions that we face.
- 4.8. This requirement is illustrated sharply by the “gearing” effect of savings on services. In other words, if our current savings requirement (excluding schools) over three years was applied, for example, just to Place Services, the budgets for this area would have to be almost cut in its entirety. Consequently, other areas such as Education and Social Care also need to face some relative real terms level of reduction over the next 3 years, given the relative size of their budgets.
- 4.9. A statement of budget priorities and policy statements that flow from this is set out in **Appendix A**. This statement follows an assessment of services in relation to the following criteria:
- **Invest:** Services where the Council will increase levels of investment
 - **Maintain:** services where the Council will broadly maintain current level of spend in the medium term
 - **Remodel:** those services where the Council will reduce the current level of spend over the medium term.

Regardless of relative funding levels, there is also an absolute requirement that **all services** must transform and strive for maximum efficiency.

Potential Funding 2022/23 to 2025/26

- 4.10. The Revenue Budget report detailed elsewhere on this agenda identifies possible savings for the 2021/22 financial year. Some of these proposals will generate further savings in future years and so will contribute to the future years' savings requirement.

4.11. In addition, there are a number of service specific savings proposals that are being considered – it should be noted that these have not yet gone out to consultation, but will do so at the appropriate time.

4.12. These are detailed in Appendix B, but are shown in summary below:

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Future Year Impact of current (2021/22) proposals:				
Resources	368	368	368	368
Education	370	686	686	686
Social Services	0	0	0	0
Place	191	223	223	223
	929	1,277	1,277	1,277
Future Proposals to be Considered:				
Resources	1,118	1,929	2,058	2,131
Education	230	630	951	1,241
Social Services	810	1,210	3,518	5,478
Place	1,275	3,437	4,009	4,566
	3,433	7,206	10,536	13,416
Sub-total of Service Specific Savings (as per Appendix B)	4,362	8,483	11,813	14,693
Schools*	0	0	3,820	6,140
Total Savings	4,362	8,483	15,633	20,833

*Schools savings and pressures fall entirely to the delegated budgets and are shown separately as these are decisions for schools to take

4.13. In addition to the savings proposals above (and listed at Appendix B), the Council is embarking on its next stage of budget reviews as part of the Sustainable Swansea Programme. These will be built into the budget process at the appropriate stage of the reviews.

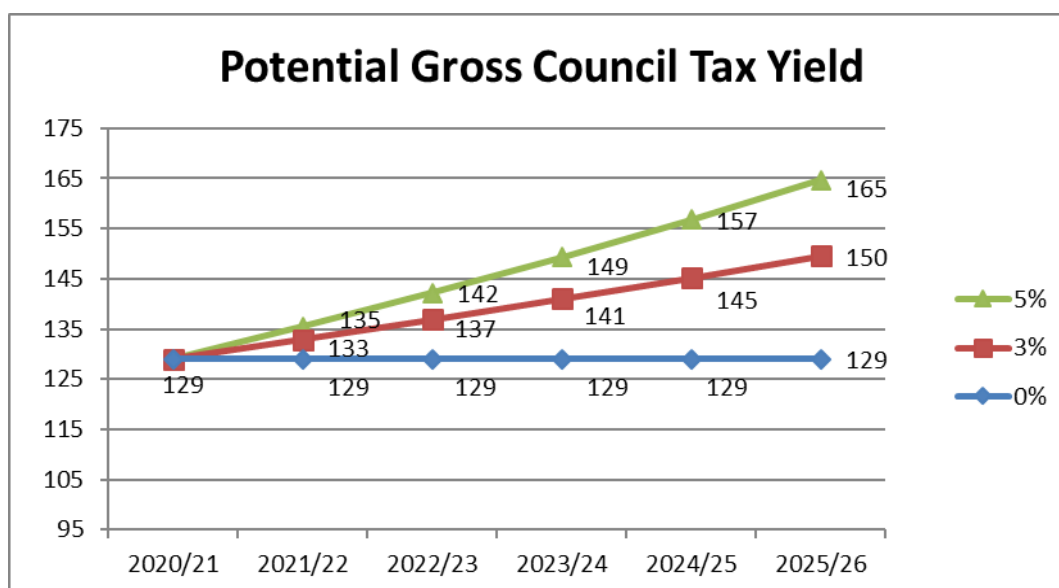
4.14. In addition to savings proposals, Council Tax levels must be considered as part of the MTFP. Budgeted gross council tax yield for Swansea for 2020/21 is £129,274,000, which we have rounded to £129 million. This remains the gross yield on Council Tax and it must be borne in mind that any Council Tax increases results in a corresponding increase in the local cost of the Council Tax Support Scheme, (which has been taken account of in the spending pressures above). No assumption about growth in the Council Tax base has been made, to remain prudent and err on the side of caution.

4.15. Policy decisions on the level of Council Tax will of course remain a matter for full Council to determine on an annual basis and it is always relatively challenging to set out a published range of Council Tax options years in advance. Therefore, what follows can only be an indicative assumption to give a plausible range of planning scenarios, to aid the overall understanding of the financial plan.

The following stylised planning assumptions are made:

- As in the past, there is no formal published upper limit to annual Council Tax increases but Welsh Government reserve powers and hints of action effectively placed a top end cap at 5% per annum. However since 2018/19 it has been clear that there is no cap and the Welsh Government have not taken any action against Councils that have set increases higher than this. In its 2021/22 Standard Spending Assessment calculation, the Welsh Government have assumed a Council Tax rise of 5.1%. As such, this in effect places no upper limit for planning assumptions, however it is unrealistic to assume increases in excess of 5% and so 5% is used as the maximum increase this Council could reasonably be expected to consider.
- Given the sheer scale of spending reductions needed to set a future balanced budget it is considered equally implausible (albeit theoretically not impossible) that Council Tax levels will be cut. This provides a lower limit of 0% per annum;
- As a middle ground option 3% is also modelled.
- The stylised assumption included for planning purposes is 5%.

The chart below demonstrates the different levels of Council Tax that could be expected under the different scenarios:



5. Summary of the Medium Term Financial Plan and Swansea – Achieving Better Together Strategy

5.1. The summary anticipated savings requirement over the period of the Medium Term Financial Plan is shown below and is extracted from the table shown at paragraph 3.3 of this report.

	<u>2022/23</u> <u>£'000</u>	<u>2022/23</u> <u>£'000</u>	<u>2023/24</u> <u>£'000</u>	<u>2024/25</u> <u>£'000</u>
<i>Cumulative Savings Requirement</i>	4,362	8,483	15,633	20,833

5.2. The assumptions surrounding the compilation of these figures are given in detail within the table at paragraph 3.3 above and, in particular, are heavily dependent on the assumption of an ongoing increase in AEF for each of the three years covered by the MTFP.

Clearly there is the risk of significant volatility in future years arising from:

- The cumulative effect of any variation in these assumptions in early years
- The uncertainty around assumptions surrounding the latter years.

5.3. Notwithstanding that position, in addressing the ongoing budget deficit, the Council has a number of actions that it can take in terms of achieving a balanced budget. These include:

- Realisation of future years' budget savings arising out of previously agreed savings and 2021/22 consultation proposals
- Additional Directorate/Service Area targeted savings as detailed in paragraph 4.12 of this report
- Potential rises in Council Tax levels, as estimated in paragraph 4.15

5.4. Bringing these items together, and assuming a balanced position for 2021/22, the following indicative position is envisaged:

	<u>2022/23</u> <u>£'000</u>	<u>2023/24</u> <u>£'000</u>	<u>2024/25</u> <u>£'000</u>	<u>2025/26</u> <u>£'000</u>
<i>Cumulative savings requirement</i>	4,362	8,483	15,633	20,833
<i>Future year impact of current service savings proposals</i>	-929	-1,277	-1,277	-1,277
<i>Future year proposals to be considered</i>	-3,433	-7,206	-10,536	-13,416
<i>Schools savings</i>	0	0	-3,820	-6,140
<i>Remaining Gap at 1% AEF</i>	0	0	0	0

<i>Surplus at 3% AEF – which would be available to re-invest, reduce savings and/or lower council tax assumptions</i>	2,799	5,978	6,428	9,228
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- 5.5. In terms of addressing the overall budget, there are further options available to the Council that are not yet firm enough to be able to be included in the table above, but nevertheless are being worked through and considered for future inclusion.
- 5.6. These options include reviewing services and funding provided to schools and potentially higher or lower than 5% increases to Council Tax. To some extent decisions around these proposals will also be reliant on the annual settlements received from the Welsh Government.
- 5.7. The Council will use the overarching Swansea – Achieving Better Together Strategy when considering all options.

6. Medium Term Financial Planning for Schools

- 6.1. The purpose of this section is to highlight the estimated effect of specific spending pressures and potential specific grant reductions on Schools' budgets in the light of funding assumptions detailed elsewhere in this report.
- 6.2. More specifically the Detailed Budget report to Council in respect of the 2021/22 Revenue Budget outlines the specific budget proposals for that year.
- 6.3. It is important to note that, given the size of the potential budget deficit facing the Council over the period of the MTFP, it is envisaged that Schools will be required to make some contribution to savings targets during this period. However, the Council will continue to prioritise education funding and spending pressures and take into account the extent to which these can be met on annual resources available and competing spending needs. It should be noted that at present there is a contribution from Schools built into the budget forecast, however to some extent although this is a planning necessary intention of the Council if settlements prove low, whether this will happen in practice will be entirely reliant on future settlements from the Welsh Government and are likely to be reduced or removed if settlements prove higher than the central planning assumption of just 1% increases in AEF.
- 6.4. It is essential that we continue to engage with Schools on a strategic review of provision as simply cutting budgets in real terms without otherwise doing so will simply not work.

7. Risks and Issues Implicit within the MTFP

- 7.1. As stated throughout this report the financial risks facing the Council include:
 - The volatility of settlements received from the Welsh Government from indicative planning stage to provisional settlement and the absence of any future year guidance on levels of likely settlement.
 - Assumptions around the core funding support from the Welsh Government being incorrect, particularly if overstated.

- Ongoing reductions in specific grants that require equivalent reductions in expenditure, often at short notice, which are both uncertain and unpredictable in terms of timing.
 - Delay or non-delivery of key savings strands which are essential to meet the projected service reductions identified in this report.
 - Significant further changes to Central Government fiscal policy with regard to the Public Sector.
 - The introduction of new legislation and statutory requirements that impose additional burdens on the Council.
 - The ongoing practical impact of legislation such as the Wellbeing of Future Generations (Wales) Act 2015.
 - The ongoing (and unknown) impact of the COVID-19 pandemic.
- 7.2. The table at paragraph 3.3 of this report outlining the potential budget shortfalls over the period of the MTFP contains a significant number of assumptions around future cost pressures, particularly with respect to pay awards, which may have a significant cumulative effect if not settled at the levels indicated. This has the potential to change significantly the projected deficit towards the end of the planning period.
- 7.3. The assumptions contained within the plan specifically assume:
- The Council will deliver a balanced revenue outturn in respect of the current and future financial years and, to that extent, no deficits are identified that would require additional funding in future years.
 - The Capital programme is constrained to the extent that the maximum additional debt charges that are incurred (which should be considered temporary until capital receipts are achieved) do not exceed the sums included in the MTFP. In particular that any additional borrowing requirements in respect of aspirational capital development will be met from additional income generation from such schemes or a combination of funding from the public and private sector that evidences financial sustainability.
 - The Council continues to achieve its ambitious savings targets.
- 7.4. It is assumed that there will be substantive change to the structure of service delivery, including additional regionalisation of services. It is however far too early to financially quantify and describe those changes so they are explicitly excluded at present.

8. Use of Reserves

- 8.1. The purpose of this section is to highlight the current planned use of General Reserves to support the 2021/22 Revenue Budget and to outline the relationships between known risks and earmarked reserves and its effect on planning assumptions. An analysis of the current position is given in paragraphs 8.3 to 8.8 below.
- 8.2. Conclusions and recommendations in respect of reserves usage are given in paragraph 8.9 below.

- 8.3. The current 2020/21 Revenue Budget was set with no planned use of General Reserves.
- 8.4. In terms of planning assumptions there is no assumption of ongoing use of or availability of General Reserves in 2021/22 or beyond.
- 8.5. Whilst the Council maintains a number of specific reserves they are not factored into planning assumptions because they are either ring-fenced under statute or scheme of delegation (e.g. Schools' delegated reserves), or they are earmarked to meet known liabilities.
- 8.6. In October 2020 Council received and approved a report which re-allocated earmarked reserves based on known changes to the risk profile of the Council and it is anticipated that a similar report will be taken on an annual basis.
- 8.7. Allowing this consideration outside of the annual budget process, and after previous year outturn is known, will give elected Members better opportunity to reflect on the level of General and earmarked reserves in line with the guidance detailed in paragraph 8.10 below.
- 8.8. In addition, various sections highlighted throughout this report refer to significant ongoing risk around current activities.
- 8.9. It remains the position that until these significant risks are fully mitigated then any additional planned use of earmarked reserves to support general revenue budget deficits would be inappropriate.
- 8.10. On 12th January 2016 the Welsh Government issued guidance to Local Authority Members on matters to be taken into consideration when scrutinising the level of Local Authority Reserves held at any point in time. This has been circulated to all Members and any recommendation relating to the holding or release of reserves will be undertaken with reference to the principles underpinning best practice as issued by the Chartered Institute of Public Finance and Accountancy and this guidance.

9. Legal and Equalities Implications

Legal Implications

- 9.1. There are no legal implications arising from this report.

Equality and Engagement Implications

- 9.2. The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.

- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we pay due regard to the above during the annual budget process, where proposals are subject to consultation.

- 9.3. The budget reductions implicit in the 2020/21 approved budget were subject to the corporate and appropriate Equality Impact Assessment process, which was considered as part of the overall budget process.
- 9.4. Where additional budget savings requirements are identified as part of the 2021/22 and MTFP budget processes they will again be subject to the equality impact assessment process (including relevant consultation and engagement) as part of the budget considerations for those financial years.

Background Papers: None

Appendices:

Appendix A - Statement of Budget Principles and Service Budget Priorities

Appendix B - Savings Proposals

Statement of Budget Principles and Service Budget priorities

GENERAL PRINCIPLES FOR ALL SERVICES

1. A number of principles apply to all the Council's services, regardless of the assessment of relative priorities. These are set out below.

Budget Principles

2. The Council has adopted a number of Budget Principles that underpin the budget strategy:

<i>Everything is included</i>	<i>Increased income</i>
<i>Engagement</i>	<i>Different models of delivery</i>
<i>We will have less money</i>	<i>Supporting those at risk</i>
<i>Demonstrating efficiency</i>	<i>Evidence base</i>
<i>Cutting Red Tape</i>	<i>Sustainable outcomes/prevention</i>
<i>Full cost recovery</i>	<i>Personal Responsibility</i>

All Services must apply and be consistent with these Budget Principles.

All Services are also required to address these Principles as part of business planning and developing savings proposals.

Service Transformation and Efficiency

3. There are expectations upon all Services in relation to transformation and efficiency, which must be met regardless of relative priority for funding:

Transformation	<p>All service must transform through a fundamental review of purpose, however services are commissioned, to:</p> <ul style="list-style-type: none"> • deliver better outcomes • develop a sustainable delivery model, fit for the future • reduce costs and secure value for money
Efficiency	<p>All services must continue to strive for efficiency, in particular:</p> <ul style="list-style-type: none"> • reduce management and other overheads • maximise opportunities for increasing income from charges, trading and external sources

	<ul style="list-style-type: none"> • reduce the cost of purchasing supplies and services • work with others to achieve better outcomes • look for opportunities for residents or community groups to take or share responsibility for services
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4. STATEMENT OF BUDGET PRIORITIES: SCHOOLS AND EDUCATION

Education is continuing to deliver a consistent and coherent budget strategy across delegated and non-delegated budgets.

Budget proposals offer significant additional funding to schools. This is more than sufficient to meet anticipated pay inflation and other cost pressures (such as Service Level Agreements and Free School Meal increases), wider pressures relating to mainstream Additional Learning Needs, and additional costs in respect of some specific SLAs as a result of external factors. The proposals also target additional funding through the funding formula to support wider reviews.

Whilst recognising the relative priority given to Education (and Social Services), further significant savings cannot be made in future years without reductions in real terms in the Schools Delegated Budget.

Moreover, further significant cuts in the remaining non-delegated education budgets will have a direct impact on areas of pupil specific support and further reduce the support that can be provided to schools from the department against a context of increasing demands and expectations.

At the same time, greater focus is being given to the regional delivery of services, with a fundamental review of those services being delivered via regional arrangements in the coming years.

A further move towards a fundamentally different relationship between schools and the local authority is required, reflecting the challenges and opportunities presented by the national changes in curriculum and support for additional learning needs. By its very nature, this is a long-term strategy. The future model for Education provision includes:

- Radically changing the way support for pupils is provided – more flexible earlier intervention and support, as local as possible
- A consistent approach to support the needs of all pupils through a continuum of support
- Integrating and aligning services with Social Services and other agencies such as Health
- Working more closely with communities, recognising the role of schools at the heart of their communities, seeking to minimise transport costs and, wherever feasible, co-locate other services on school sites to aid sustainability (where revenue and capital funding streams are at least sufficient to cover the costs involved).

We will deliver this through:

- Coherent revenue and capital strategies
- Optimising the level of delegation of funding and responsibilities to schools to allow the greatest flexibility in the use of the available resources
- Supporting earlier intervention and support for pupils:
 - Reducing the need for formal statements
 - Providing increasingly targeted specialist support, reflecting the findings of the independent behaviour review
 - Building capacity in mainstream educational provision and in County specialist provision
 - Empowering & facilitating more collaborative school to school support
 - Ensuring delivery of Out of County places for specialist provision are commissioned jointly with other services to seek to maximise economies of scale.
- Delivery of further significant financial savings through a continuing coherent 'one education budget' strategy:
 - Retaining an absolute core level of statutory and regulatory provision at the centre
 - Ensuring a full recovery of the costs of any support provided to schools above this level and providing the minimum level of Council funding required to fully access the remaining available specific grants
 - Ceasing financial contributions to support the few remaining areas of discretionary educational provision.

5. STATEMENT OF BUDGET PRIORITIES: SOCIAL SERVICES

Social Services- Child & Families

Whilst no significant policy changes are proposed in Child and Family Services, clearly COVID-19 has had a major impact on the delivery of children services.

We will maintain the current Safe LAC Reduction Strategy and our investment in preventative services to reduce the number of looked after children and achieve the planned savings and service improvements, taking into account changes necessary to mitigate the impact that COVID-19 has had on the well-being of vulnerable children, families and our staff.

Social Services – Adult Social Care

COVID-19 has had an even more significant impact on our population of adults requiring care and support and their families and carers.

The previously agreed optimum model for Adult Services remains fundamentally sound.

- Better prevention
- Better early help

- A new approach to assessment
- Improved cost effectiveness
- Working together better
- Keeping people safe.

However the focus for the coming year will be on prioritising improvements to services that best support individuals, families and carers in recovering from the huge impact that COVID-19 has had on all their lives including that care and support has been so significantly disrupted this year.

Social Services – Poverty & Prevention

COVID-19 has highlighted to an even greater extent the crucial role our tackling poverty services play in supporting the most vulnerable members of our community to manage the most difficult of circumstances. Out of necessity the service has become even more focussed on ensuring a joined up, strengths and assets based approach to working with and in communities with targeted support for the most vulnerable.

Our priority will be to embed these approaches as business as usual and promote further integration with both wider social services and other support available from across the Council.

6. STATEMENT OF BUDGET PRIORITIES: PLACE SERVICES

The Place-based services have faced significant challenges over recent years to meet its continued reduction in budgets and has been successful in maintaining the high level of delivery against the agreed corporate and service objectives. Unfortunately, 20/21 has been a challenging year for many reasons and COVID-19 has impacted significantly on a range of income streams which will continue through into 21/22. However, the proposed settlement should assist in underwriting the income loss allowing continued investment in some of its front line “place based” services positively impacting on the environment and communities the Council serves. The main areas of priority are:

- Prioritisation of key corporate objectives including the regeneration of the City Centre, delivery of the city deal and its biodiversity and climate emergency objectives.
- Completion and opening of the new Digital arena, commencement of the digital district and facilitation of the Phase 2 city centre development
- Deliver on a range of actions arising out of the Council’s recovery plan with particular focus on the economic recovery, inward investment and tourism
- Maximise commercial opportunities and income generation for services and assets to offset income losses
- Seek opportunities for community involvement in the delivery of services and community enablement
- Invest where necessary to maintain vital services including front line delivery of environmental services

- Work within the affordability of the housing revenue account to increase the speed of delivery of the more council homes and the attainment of the Welsh Housing Quality Standard for our council tenants by the end of 2021.
- Maximise the opportunities brought by modernising terms and conditions across the council
- Adequately resource the significant council wide capital programme including highways, infrastructure and new schools delivery
- Seek to deliver on the Councils' homelessness strategy and housing first model
- Seek to maximise the success of grant bids maximising the beneficial use of council resources
- Grow the capacity to support local businesses and suppliers through the circular economy principles and maximise the support available for inward investment

7. STATEMENT OF BUDGET PRIORITIES: RESOURCES

The Resources Directorate will continue to deliver high quality and cost effective core services, supporting frontline service delivery and achieve better outcomes for our residents, customers and Visitors.

The Resources directorate supports the political and managerial leadership of the council to set the strategic direction and enable the organisation to deliver it, responding to external challenges including financial pressures and changes in the operating environment.

To be able deliver the above our focus must be to:

- Manage demand for central support services by supporting the workforce to have the right skills for the future, particularly managers
- Focus on the Priorities within the functions of the corporate centre such as governance, financial control, core HR advice and commercial capability
- Look for opportunities for collaboration and co-production models with other organisations and partners, in order to maintain support services as efficiently as possible
- Radically change our approach to customer contact and engagement, to channel shift to digital channels where appropriate and reduce costs where possible
- Consolidate and reduce the cost of all common support functions across the Council, such as financial processes, ICT, business support
- Maintain overall investment in ICT and Digital First, on a business case basis, to support the transformation agenda, including on-line self-service, agile and mobile working and direct service innovation.
- To continue to evolve the services as the operating environment changes to ensure we can be agile and responsive to change.

APPENDIX B

Director	Head of Service	Savings Proposals	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Future Impact of 2021/22 Savings Proposals						
Education	Non-Delegated	Further reductions in regional improvement service, consistent with funding settlements	10	26	26	26
Education	Non-Delegated	ALN Transport - review of spread and nature of STF provision / review of assessment / processes to better promote independent travel and integrate provision with Social Services(unless savings are taken corporately and base budget reduced)	100	200	200	200
Education	Non-Delegated	School Meal prices: further increases to reflect increased costs (previously agreed and to be reviewed each year)	40	40	40	40
Education	Non-Delegated	Home to School Transport - savings identified as part of wider focused scrutiny of nature and spread of educational provision (unless savings are taken corporately and base budget reduced)	100	200	200	200
Education	Non-Delegated	Catering and Cleaning services - Continuing work towards full cost recovery through SLAs where schools are receiving additional funding to reflect such cost pressures	100	200	200	200
Education	Non-Delegated	Review of demand and service pressures with mitigation actions to replace the savings targets within the existing MTFP which are undeliverable to the timescale required	20	20	20	20
Place	Housing & Public Protection	Introduce paid for advice and approval service for businesses across Food Safety and Trading Standards functions	15	37	37	37
Place	Housing & Public Protection	Proceeds of Crime (POCA) income to be reinvested in core Trading Standards Service	10	10	10	10
Place	Housing & Public Protection	Above inflation (5%) increase to fees and charges and increased income generation activity across Bereavement Services, Registration Services, Building Control, Trading Standards, Food & Safety, HMO licensing and Housing Renewals.	156	156	156	156

Place	Waste Management & Parks	Increase graffiti charges over 4 years to ensure full cost recovery	10	20	20	20
Resources	Finance	CTRS - Carefully managed use of CTRS budget	400	400	400	400
Resources	Legal Services	Legal - Saving from freezing vacant posts (Temporary saving 2021/22)	-32	-32	-32	-32
Total of Future Impact of 20/21 Savings Proposals			929	1,277	1,277	1,277
<u>New Proposals from 2022/23</u>						
Education	Non-Delegated	Construction of new Available Walking Routes to Schools - Education Budget. Improvements to routes allows withdrawal of school bus services for children who live within the statutory distance of their catchment school, but are unable to walk or cycle because of an 'unavailable walking route'.	0	140	140	140
Education	Non-Delegated	School Meal prices: further increases (10p / £2.60: Sept 22; 10p / £2.70: Sept 23; 10p / £2.80: Sept 24 and 10p / £2.90: Sept25)	80	200	320	440
Education	Non-Delegated	ALN - more costly out of County provision mitigated by further enhanced in County provision (so impact dependent on resourcing to deliver enhanced provision)	150	290	491	661
Place	Corporate Property Services	Additional income generated from the relating of released space in the Civic as a result of the agile programme	50	50	50	50
Place	Corporate Property Services	Additional income via existing investment properties and new property acquisitions	50	50	50	50
Place	Cultural Services	Reduce Library Service 'footprint' through providing accommodation and shared services via SitC	0	400	400	400
Place	Highways and Transportation	Partial removal of school crossing patrols where suitable safe measures exist. (Also need to implement previous proposal)	25	25	25	25
Place	Director	Regionalisation savings (assuming future regional model for mandated services)	100	100	100	100
Place	Various	"Income earning" services to self-fund pay increase costs from increased fee charges on full cost recovery. Assuming all charge increases passed on	1,250	2,000	2,000	2,000
Place	Various	Additional savings to be identified including Terms and conditions	0	762	762	762

Place	Waste Management & Parks	Develop the most cost effective way of collection and disposal of plastics	150	150	150	150
Place	Corporate Property Services	Additional Income from further commercial lettings (offset against St Davids)	150	150	150	150
Place	Director	additional savings proposals drawn from future proposals and "extremis list"	0	0	572	1,129
Place	Highways and Transportation	Increase in car park income resulting from tariff increases linked to city centre regeneration	500	750	750	750
Place		Savings temporarily funded by one-off COVID-19 money	-1,000	-1,000	-1,000	-1,000
Resources	Director	Management review	294	294	294	294
Resources	Digital Services	Savings from implementing WCCIS	330	330	330	330
Resources	Finance	Service Centre staff reductions	28	28	28	28
Resources	Finance	AI and automation/ robots across council e.g. revs and bens	0	210	210	210
Resources	Director	As yet unspecified savings as linked to reshaping of services and future demand based on the changes to other services/Directorates	459	1,050	1,050	1,050
Resources	Resources	Future savings plans to be developed	3	13	142	215
Resources	Director	Staff reward scheme (salary sacrifice)	4	4	4	4
Social Services	Adult Services	Reduce commissioning of high cost placements and deliver service in house - Explore the development of an in-house residential service for younger adults with complex needs (as part of the 4th Commissioning Review)	50	100	150	200
Social Services	Child & Family Services	By working through integrated arrangements with C&F and P&P to create one single approach it is estimated that a 10% reduction in IFA placements in 20/21(from 110 to 100) and then a further 10% in 21/22 (100 to 90) is achievable.	100	150	200	250
Social Services	Child & Family Services	By working through integrated arrangements with C&F and P&P to create one single approach it is estimated a reduction in residential placements by a further 2 in 20/21 (from 26 to 24) and then a further 4 in 21/22 (from 24 to 20) is achievable	300	350	400	450

Social Services	Poverty & Prevention Services	Partnership & Commissioning - Remove 3rd sector Change Fund	0	250	250	250
Social Services	Poverty & Prevention Services	Partnership & Commissioning - Reduce core contribution to VAWDASV Agenda and look for economies of scale across the region, aligning with WG funding and Home Office Transformation Funding	30	30	30	30
Social Services	Adult Services	As yet unspecified prevention activities to deliver additional medium term savings linked to future reduced demand for care and support (may require drawdown of centrally held inflation contingency funds)	0	0	1,521	3,061
Social Services	Child & Family Services	Means testing of Short Breaks and Direct Payment Contribution (10%) - Pending changes in legislation	80	80	80	80
Social Services	Child & Family Services	Means testing for voluntary accommodated costs for children accommodated under section 76 - Pending changes in legislation	250	250	250	250
Social Services	Child & Family Services	As yet unspecified prevention activities to deliver additional medium term savings linked to future reduced demand for care and support (may require drawdown of centrally held inflation contingency funds)	0	0	549	819
Social Services	Poverty & Prevention Services	As yet unspecified prevention activities to deliver additional medium term savings linked to future reduced demand for care and support (may require drawdown of centrally held inflation contingency funds)	0	0	88	88
Total of New Proposals from 2022/23			3,433	7,206	10,536	13,416
Total of ALL service specific savings proposals			4,362	8,483	11,813	14,693

Agenda Item 10.



Report of the Section 151 Officer

Cabinet – 18 February 2021

Revenue Budget 2021/2022

Purpose:	This report sets out the current position with regard to the Revenue Budget for 2021/22 for consideration by Cabinet.
Policy framework:	Medium Term Financial Plan and Budget Strategy
Consultation:	Cabinet Members, Legal, Access to Services & Corporate Management Team
Recommendations:	It is recommended that: <ol style="list-style-type: none">1) Cabinet considers the outcome of the formal consultation exercise, and agrees any changes to the Budget Proposals in Appendix D, together with the position regarding delegated budgets as set out in Sections 4.10 and 4.11 of this report. 2) Cabinet note the current Total Funding Requirement identified in Section 4.6 of this report and, in line with the potential actions identified in Sections 9 and 10 of this report, agree a course of action to achieve a balanced Revenue Budget for 2021/22. In addition to a review of current savings proposals Cabinet will need to: - Review and approve the Reserve transfers recommended in this report - Agree a level of Council Tax for 2021/22 to be recommended to Council 3) Subject to these changes, Cabinet recommends to Council for approval: <ol style="list-style-type: none">a) A Revenue Budget for 2021/22;b) A Budget Requirement and Council Tax levy for 2021/22.
Report Author:	Ben Smith
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar

1. Introduction and Background

1.1. This report details:

- Financial monitoring 2020/21
- The Local Government Finance Settlement 2021/22
- Budget Forecast 2021/22
- Specific Savings Proposals
- Outcome of Budget Consultation
- Staffing Implications
- Reserves and Contingency Fund requirements
- The Budget Requirement and Council Tax 2021/22
- Summary of funding proposals
- Risks and uncertainties

1.2. The financial assessment in relation to 2022/23 – 2025/26 is contained in the ***Medium Term Financial Plan 2022/23 – 2025/26*** elsewhere on this agenda.

1.3. This report builds upon and needs to be read in conjunction with :

- The budget strategy agreed by Council on 22nd October 2013 – ***‘Sustainable Swansea: Fit for the Future’***.
- The report to Cabinet on 29th July 2014 – ***‘Sustainable Swansea: Fit for the Future: Delivery Programme’***.
- The update report on ***Sustainable Swansea – Fit for the Future*** as approved by Cabinet on 16th July 2015.
- The report to Cabinet on 15th October 2020 – ***‘From Recovery to Transformation’*** detailing the “Swansea – Achieving Better Together, Transformation Strategy & Programme Framework 2022 – 2026”
- The report to Cabinet on 21st January 2021 – ***Budget Proposals 2021/22 – 2025/26*** setting out the Council’s proposals for consultation.

1.4. The report sets out the latest budget estimates and invites Cabinet to consider any comments and feedback received as a result of the budget consultation. Cabinet are asked to consider any changes to the draft Budget proposals and proposed Council Tax level, prior to recommending the budget to Council. The report also includes an Equality Impact Assessment statement so that Cabinet can be aware of the key issues before finalising budget proposals, and, for the first time, a Sustainable Development Impact Assessment.

1.5. **Similarly, 2021/22 marks the first full year of required full compliance with the CIPFA Financial Management Code.** The new code is the first from the Institute in 15 years, and brings together many areas of local government good financial management into one place. It is based on a set of standards and principles, including organisational leadership, transparency, assurance and sustainability. Its aim is to place financial management at the heart of policy and decision making in local government. The Section 151 Officer is intending to comply personally with the Code, as professionally obligated to do so, and raise awareness with the wider political and managerial leadership of the Council of its significance and the obligations on all to ensure sound financial management.

- 1.6. **Whilst emphasising what is proposed being removed, at approximately £8 million, it must equally be borne in mind that £30m is being added. Net service budgets are increasing substantially, and the overall revenue budget by a net £22 million.**

2. Financial Monitoring 2020/21

- 2.1. Cabinet will see a report for consideration elsewhere on this agenda on the estimated Revenue Outturn for 2020/21. It is projected that the Council will outturn at an underlying directorate overspend position of £17.1m, which is an improved position compared to the forecast overspend at quarter 2.
- 2.2. The overspend is primarily in respect of the impact of COVID-19, aside from this the service position is an underspend of £4.6m, improved from the second quarter position. Much of the COVID-19 related overspend is expected to be funded through grants from the Welsh Government, however there will be an element that isn't covered as it will be deemed a local decision.
- 2.3. The contingency fund will be used to fund a list of approved items, leaving a balance of £5.932m to offset service overspending on COVID-19 items.
- 2.4. In addition to service pressures, there are likely to be shortfalls on both Council Tax collection and NNDR receipts. Negotiations with Welsh Government continue over reimbursement of these losses and whilst some significant recompense is hoped to be achieved, none is assured at this stage. However there will be underspends on capital charges, which can be used to partially offset the element of these shortfalls not covered by additional grant from the Welsh Government.
- 2.5. Cabinet previously approved up to £10m to be drawn from the Capital Equalisation Reserve for use against COVID-19 overspends, should it be necessary. It is now much less likely that this draw will need to occur.

3. The Local Government Finance Settlement 2021/22

- 3.1. The Minister for Housing and Local Government announced the provisional Revenue and Capital Settlement for 2021/22 on 22nd December 2020 and the final settlement will be announced on 2nd March 2021.
- 3.2. At the time of writing this report the Welsh Government had not announced the final settlement, however the Minister for Housing and Local Government stated in the provisional settlement that there was no intention to make significant changes to either the methodology or the data underpinning the settlement. **As such any changes should only be minor and capable of being smoothed out by adjustments to the Contingency Fund.** Any other changes such as any new responsibilities transferred into the Revenue Support Grant will simply be passported to Services as usual. **If any more material announcements are made over elements regarding taxation policy (business rates, council tax, VAT, employers taxes etc.) or expectations for, or funding for helping with council tax levels, or indeed**

overall funding support to councils, this may need to be revisited at Council, which will be operationally and procedurally difficult given likely March timings of both Welsh Government and UK Government final budgets.

- 3.3. For the purposes of this report there is assumed to be no change to the provisional settlement figure.
- 3.4. In respect of Schools and Social Services, although the provisional settlement does make it clear that the cost pressures in schools are definitively recognised by the Welsh Government, there is no formal protection or funding guarantee within the settlement so any decision over funding is a local one to be made by Cabinet and ultimately by Council, having any due regard to any budget consultation responses received.
- 3.5. In revising the Medium Term Financial Plan and setting the Budget for 2021/22, it is essential that the Council moves from the objectives in *Sustainable Swansea – fit for the future*, to practically implementing the objectives in *Swansea – Achieving Better Together, Transformation Strategy & Programme Framework 2022 – 2026*. The Council has made clear through *Sustainable Swansea* that the need to transform services, reduce or divert demand through prevention and to look for alternative models of delivery, including community action, is required for our future sustainability and to improve outcomes for citizens and this needs to be reinforced and strengthened under the new Transformation and Programme Framework.
- 3.6. **The longer term financial pressures and level of risk that we face and will continue to face make the need to implement these changes ever more urgent. The increase in Aggregate External Finance for next year should be seen as an opportunity to maintain investment in the Council’s priorities and preventative action in particular, and embracing wider scale transformational change, as part of the recovery plan, not to slow down the pace of change or the level of required savings.**

4. Budget Forecast 2021/22

Overview

- 4.1. The budget proposals for 2021/22 as submitted for consultation on 21st January 2021 highlighted pressures of £30.290m, resulting in a savings requirement of £8.321m once the provisional increase on Welsh Government Aggregate External Finance (AEF) of £13.261m was taken into account, together with estimated Council Tax rises of £8.708m.
- 4.2. The announcement of the final settlement will mean that the overall funding deficit forecast for 2021/22 will inevitably, but hopefully marginally, change.
- 4.3. In addition, the opportunity has arisen to review all aspects of the budget pressures and risks so far identified with a view to updating the forecast using the latest up to date assumptions.

- 4.4. The options for funding the deficit that is identified remain as:
- Savings on current service net expenditure (through a combination of expenditure reduction and additional income generation)
 - Increases in Council Tax levels
 - Use of Reserves and Balances (not advised).

Forecast Funding Shortfall 2021/22

- 4.5. The revised funding requirement previously identified in paragraph 4.1 above can now be updated and summarised in Table 1(a) below.
- 4.6. The items highlighted in **bold italic** in the table have changed since the budget proposals report in January 2021. These are discussed later in the report, but have resulted in a reduction to the Net Funding Requirement of £0.443m.

Table 1(a) – Projected Pressures 2021/22

	2021/22 £'000
Future cost of pay awards - Non Teachers - 1%	1,673
- Teachers – 1%	2,300
<i>Costs imposed without funding by UK Government:</i>	
- National Living Wage – own pay bill	0
- National Living Wage – contracts	1,300
Increase in Pension Costs	0
Cumulative contract inflation	1,400
Capital charges – existing	0
Capital charges – new scheme aspirations	1,100
Capital charges – expected savings as a result of increased grants and thus reduced borrowing – general capital and Band B schools	-300
MRP review linked to capital programme (policy change approved by Council in December 2018)	366
Use of reserves to smooth capital charges impact	-3,000
Use of General Reserves	0
Contingency	0
COVID-19 Impact – Increase Discretionary Rate Relief	18
One-off funding for COVID-19	7,000
Rebase part of Resources (e.g. agile and remote working)	2,000
Reinstate temporary use of Insurance Reserve	0
Demographic and Service pressures	3,000
Mid and West Wales Fire Authority (independently decided by the Fire Authority) and other Levies	380
Council Tax Support Scheme	2,500
Service pressures previously accepted	2,115

New Service pressures accepted	7,439
Passported through AEF to Services – Teachers pay	297
Total Funding Requirement	29,588
Savings Requirement	-8,062
Net Funding Requirement	21,526
Aggregate External Finance increase CASH	12,964
Aggregate External Finance increase – passport to Services	297
Council Tax increase (including premia and tax base increases)	8,265
Total Resource Investment	21,526

Inflation

- 4.7. The 2020/21 Revenue Budget provided a corporate provision of £2.85m for general inflation (£1.85m) and the cost of the Apprenticeship Levy (£1m). It is expected that the full £1m will be required for the Apprenticeship Levy, the remainder of the provision will be used to reduce the service overspend.

Given current UK inflationary levels and forecasts to come through the year there is a strong case for increasing the corporate (General) provision for inflation in 2021/22. Mainly to cover the increase of costs associated with contracts, a further £1.4m will be provided in the corporate provision. It is the case, however, that the Council is likely to experience significant cost pressures in specific areas as detailed in Table 1 (b) below and these have already been provided for as follows.

Table 1 (b) – Potential Service Inflationary and Cost Pressures

	£'000
Increased contract costs due to rises in inflation	1,400
Increased contract costs due to rise in National Minimum Wage levels (already in services)	1,300

In the November 2015 Autumn Statement, the Chancellor first announced significant increases in the National Minimum wage. Whilst the actual increases will vary year to year there will be continued pressures. The rise anticipated for 21/22 will not affect direct employee costs, however there will be costs associated with this in future years. It is highly probable that this will impact directly on wage costs of external contractors particularly in respect of contracted services within Social Services.

Irrespective of increases in minimum wage, there is likely to be pressure from contracted areas in both Social Services and Transport Services for elements of cost increases. These will need to be funded from the corporate inflation provision on a case by case basis as the need arises.

In his Spending Review presented to Parliament in November 2020, the Chancellor of the Exchequer announced a freeze on public sector pay, the exceptions being for the NHS and the lowest paid. Whilst the Chancellor doesn't control local government pay, this announcement will constrain pay

rises to some extent. Since the proposals report in January work undertaken has refined the estimate included above, although it is still based on 1%.

The Apprenticeship Levy is still held centrally on the general provision for inflation line as it is currently a cost that is in effect a corporate tax. This makes the total provision for inflation £4.25m, although £1m of this is already fully committed for that levy. The provision has been increased this year because of the current economic uncertainty surrounding inflationary levels.

As detailed below, it is assumed that any provision for increases in School pay budgets will be met directly from Schools' delegated budgets.

Schools Prioritisation

- 4.8. It remains the case that the forward financial plans for the Council will continue to show year on year savings requirements which are likely to be significant and sustained. Given the scale of savings required, it is inevitable that it will be impossible to exempt schools' budgets fully from longer term real terms cuts.
- 4.9. Budget movements can be viewed in two ways:
- Cash increases or reductions in levels of funding provided to Schools
 - Real terms changes in Schools funding, taking into account known spending needs.
- 4.10. For 2021/20 there is no longer any Ministerial funding commitment to schools, although the provisional settlement does make it clear that the cost pressures in schools are specifically recognised by the Welsh Government and were a material factor in the overall settlement. However, it is intended to provide funding for various service pressures as a local priority for Cabinet.

The net result of these proposals is an increase in the underlying base budget cash settlement to Schools of some £6.852m (4.3%) for 2021/22, (including anticipated Pupil Development Grant and Post 16 funding changes which come separately from Welsh Government), which is more favourable than the 3.9% increase in this Council's funding from Welsh Government.

This year the headline figures across Wales in respect of both Pupil Development Grant the Regional Consortia School Improvement Grant have remained the same compared to 2020/21. If allocated across authorities on the same basis then this should mean a minimal effect on Swansea Schools. The Post 15 funding allocation is still to be confirmed.

- 4.11. Table 1 (c) below sets out the effective impact of the core funding increase against expected funding pressures for Schools.

Table 1 (c) – Impact on Schools Delegated Budgets

Item	£'000
<i>Cash position</i>	
Gross core delegated base budget 2020/21	160,452
Increase for Pay Award - all staff (1%)	2,300
Increased Pension costs re non-teaching staff	0
Increased demographics pressures	600
Transfer of Teachers Pay Grant 2020/21	297
Changes to Schools SLAs (with Schools agreement)*	660
Grant budget realignment – technical restatement to reflect underlying actual grant levels	1,597
Other cost pressures and enhancement of mainstream capacity within schools (e.g. free school meals, ALN and Service Level Agreements)	1,398
Core delegated base budget 2021/22	167,304
	+4.3%

* The change to the Schools SLA is funded partly by a transfer from the Education budget (£255k) and partly by additional funding (£405k).

The above cash increase more than fully covers known pressures for Schools and further supports the enhancement of mainstream provision within schools as part of the existing education budget strategy.

There are no further delegated funding changes expected for 2021/22 and so the total school cost centre budgets set out in Appendix H have increased by more than £6.852m for 2021/22 or 4.3% in respect of schools core funding.

It remains the case, however, that substantial elements of Schools Funding (c£17m) are now being delivered via specific Grant (Pupil Development Grant and Regional Consortia School Improvement Grant) which results in a substantial annual risk to overall School's funding which is not in the control of this Council.

Social Care Protection

- 4.12. Similarly to Schools, the Welsh Government overall Revenue Settlement for 2021/22 no longer includes a protection or prioritisation of funding for social care.

Overall the cash budget proposed for social services (including Poverty & Prevention) increases by around 3% or £4m.

Capital Financing Charges

- 4.13. There is a base line increase of £1.166m compared to the 2020/21 approved budget reflecting both additional unsupported borrowing (for existing and new capital schemes) and the effect of the MRP review carried out in 2018/19.

As at 1st April 2015, and to date, a significant element of the Capital Financing requirement has been met by the allocation of internal funds (internal borrowing). This is highly dependent on cash-flows of the Council and it is anticipated that, during 2021/22, as has happened in 2020/21, there may be a further requirement to externalise borrowing as good treasury management practices dictate.

Regardless, we continue to enjoy historically low rates of interest on borrowing, and a decision may be required to externalise further elements of current internal borrowing should there be a predicted and marked increase in forecast rates in order to best serve the Council's interests in the medium to long term. It should be noted that the 1% premium imposed on PWLB borrowing was removed in November 2020 with stringent guidance outlining what PWLB can and cannot be used for. The most economically / operationally advantageous form of borrowing shall be determined by the Section 151 Officer, and could include the following:

- Local authorities
- Financial institutions
- Municipal Bonds Agency

Furthermore the authority has a potential range of ambitious and challenging investment plans and opportunities in the shape of 21st Century Schools Band B programme, the City Region Deal, City Centre redevelopment, and new housing plans, which are set out in the report on Capital elsewhere on this agenda.

Whilst the initial costs have been built into annual budgets to date, there is a longer term requirement to anticipate additional capital financing costs peaking at around £10m per annum extra (by 2025/26, of which around half has been already built into base budgets to date). This is materially lower than the equivalent figure initially reported as a result of substantial increases in current and medium term capital grant funding from the Welsh Government and as a direct result of the change to MRP policy which was approved by Council in December 2018.

Fire Authority Levy and Port Health Authority Levy

- 4.14. Since the 21st January 2021 Cabinet report we have been notified of the final increase in the Fire Authority Levy. The final figure reflects an overall average 2.43% increase in the levy and some redistribution of shares of the levy between contributing authorities (£0.379m). This is £0.029m higher than the estimated increase included in the budget proposals report to Cabinet. The levy for 2021/22 will be £14.120m.

- 4.15. There has been a minor increase in the Swansea Bay Port Health Authority Levy, the levy for 2021/22 has been set at £88,281 for Swansea.
- 4.16. In future years there is the potential for a Corporate Joint Committee levy, subject to legislation. No budgetary provision has been made for 2021/22 on the basis the legislation and guidance is not finalised, and the body does not yet exist in order to sit and make a budget and issue a levy. Any costs subsequently incurred in 2021/22 will need to be funded by a draw from contingency, if any such set up and initial costs are not instead met by Welsh Government, given these costs will not be finalised until after Council has set its budget.

Council Tax Reduction Scheme

- 4.17. The Authority received a baseline adjustment to its Revenue Support Grant of £18.883m for 2014/15 which has been notionally included as part of all future settlements. The effect of this is that any future increases in Council tax levels would have to be discounted by any potential increases in Council Tax Support costs. Where appropriate the yield will also have to take account of any increase in Council Tax Support Costs arising from increases in the Council Tax applied by the South Wales Police Commissioner.

The effects of funding additional Council tax support have been taken into account when calculating the funding in respect of the overall budget shortfall highlighted in Table 1(a) in paragraph 4.6 of this report. This has been set at £2.5m for 2021/22 a larger than usual increase because of the estimated impact of the COVID-19 pandemic. Latest estimates have reduced this from the Budget Proposals report in January 2021.

Discretionary Rate Relief

- 4.18. The Authority is responsible for funding an element of any discretionary rate relief awarded to local businesses. Due to the COVID-19 pandemic the Authority anticipates an increase in requests and so latest estimates have built in a modest increase to this budget.

Service Pressures and Additional Investment

- 4.19. It can be seen from Table 1(a) above that there is a continued investment in pressures identified and approved as part of the budget process last year. In addition to this there have been a number of new pressures and new investment opportunities identified as part of this year's budget process. The funding of these items has been possible partly through a better than expected settlement from the Welsh Government and partly through efficiencies (savings) made elsewhere within the Authority. These are listed in part 2 of Appendix D.

5. Specific Savings Proposals: Update

- 5.1. As a strategy for determining its budget proposals, the Authority has, for the past seven years, used the principles embedded within ‘*Sustainable Swansea: Fit for the Future*’ as a means of setting Council priorities, transforming services and addressing current and future deficits.

Details of that strategy, including the budget principles that the Authority has adopted together with a description of the key elements that underpin the service savings proposals, was presented and approved by Council on 22 October 2013 and subsequently reviewed by Cabinet on 16th July 2015.

On 15th October 2020 Cabinet approved the new “From Recovery to Transformation” report detailing the “Swansea – Achieving Better Together, Transformation Strategy & Programme Framework 2022 – 2026”. This will now inform and shape the budget process, ensuring the budget assists the strategic aims and outcomes of the framework. It is essential that the recovery programme and its associated delivery and governance is now delivered rapidly to ensure savings plan in train and expected to be needed in the future are more fully assured.

- 5.2. The strategy as adopted underpinned the decision taken at the Council’s Cabinet on 21st January 2021 to recommend specific savings proposals totalling £8.062m in 2021/22 for consultation. Cabinet now needs to consider whether or not to make any changes to these proposals in light of the outcome of the consultation.
- 5.3. Since the January report the overall savings requirement has reduced, as detailed in Table 1 (a) above and paragraphs 4.7 to 4.18 above, now totalling some £8.062m. Consequently some changes to the service specific savings have been made, as summarised below. These are detailed in Appendix D (Part 1).

Table 2 – Summary of Savings Proposals

Savings	2021/22 £'000
Service specific savings as at 21 st January 2021	8,321
Removal of three service specific savings	-259
Sub-total (as detailed in Appendix D)	8,062
Schools*	0
Total	8,062

*Schools savings and pressures fall entirely to the delegated budgets and are shown separately as these are decisions for schools to take

- 5.4. Details around the currently assumed proposals for Council Tax levels are shown in Section 9 of this report.
- 5.5. Details around use of the Council's Reserves, contingency and inflation provisions are shown in Section 8 of this report.

6. Outcome of Budget Consultation Process

Budget Consultation Results

- 6.1. The annual budget consultation will run from 22nd January 2021 to 21st February 2021. As such the consultation was ongoing at the time of writing this report. An interim summary of the consultation results is attached at Appendix E, which will be updated for Council on 4th March.
- 6.2. The EIA process has been running continually through the budget process. The EIA report is attached as Appendix F. Cabinet will be kept updated on any potential issues that may arise as part of the budget implementation process.
- 6.3. Cabinet and Council will need to consider the response to consultation and the EIA report and demonstrate how we are taking account of the feedback.
- 6.4. Finally, Cabinet is asked to note that, as part of the budget consultation process:
 - An account of the consultation responses will be placed on the Council's website

Changes Proposed to the Budget in this Report

- 6.5. As a result of the latest updates to forecasts, Cabinet is able to consider a reduced level of Council Tax payable and will now need to consider further whether it is minded to make any further recommendations to Council on its final proposals for the 2021/22 budget.

7. Staffing Implications

Background

- 7.1. The Cabinet Report of 21st January 2021 set out the latest estimate (**work on this is continuing and the number is likely to change**) of the impact of the current proposals on total staffing numbers for 2021/22, these have been updated in **Table 3** (shown as Full Time Equivalent (FTEs))

Table 3 – Potential Impact of Savings Proposals on FTEs 2021/22

Potential Headcount Reduction (likely vacant posts or volunteers for ER/VR)	Headcount Number
Resources	7
Place	6
Education (excluding schools)	0
Social Services	0
Total	13

Indicative schools figure	FTEs
Schools	0

In addition it should be noted, investment proposals set out in Appendix D indicate at least as many new FTE posts are likely to be created elsewhere in the Council.

- 7.2. The Council is committed to continue to work closely with Trade Unions to minimise the number of compulsory redundancies.
- 7.3. Trade Unions will be consulted on budgetary proposals.
- 7.4. Subject to confirmation of proposals regarding changes to employee numbers, a S188 Letter will be issued and consultation with Trade Unions on individual proposals will continue throughout the process.
- 7.5. It should be noted that consultation will be undertaken on a rolling basis outside the normal budget cycle, as the outcomes from commissioning and other reviews are presented to Cabinet. Consequently, in some Service Areas, it was not possible at the time of the formal meetings with the Trade Unions to give details of the precise impact on staff and the figures quoted were, therefore, overall estimates. Future meetings with Trade Unions will be used to provide more detail when this becomes available as future options are agreed.
- 7.6. A reduction in posts in 2021/22 may still be unavoidable, given that the Council spends around 40% of its overall budget on employees (significantly more in some Service Areas).
- 7.7. As achieved and evidenced in previous years, and continuing the Council's current policy, every effort will be made to minimise compulsory redundancies. Management action includes:
 - *Tight management of vacancies so that we manage the deletion of posts via natural wastage over time*
 - *The use of fixed term appointments where a post needs to be covered*

- *Stopping the use of agency staff unless a clear business case can be made*
 - *Redeployment and retraining wherever possible*
 - *Further encouragement of staff to consider ER/VR options, including bumped redundancies*
 - *Encouraging staff to work flexibly e.g. reduce hours or job share*
 - *Flexible retirement*
- 7.8. The groups of staff likely to be most at risk (no options can be ruled out at this stage) are those affected by service savings in Resources and Place, and those in management/ supervisory posts and employed in business support functions.

Issues

- 7.9. Consultation will take place with the Trade Unions as required and any issues raised will be considered.

Based on current information it is anticipated that there will some changes to the staffing figures as a result of:

- ERVR applications
- Not filling vacant posts
- Flexible Working requests, i.e. reduced hours
- Flexible Retirement
- Redeployment
- Bumped redundancies

These figures will be updated on an ongoing basis.

HR & OD are constantly working with redeployees to secure them alternative positions. Employees at risk, i.e. those who have not been served notice, can also be considered for redeployment.

In addition, all posts are placed on the list of posts for employees at risk in the first instance. Director and CMT approval is required in order for the posts to be advertised either on the Vacancy Bulletin or externally.

Consultation Period and Notice Periods

- 7.10. In the event of organisational change that impacts on employees, the formal consultation period will last for a minimum of 30 days; although formal consultation meetings with staff and Trade Unions will continue as and when necessary.

Assuming that Council approves the budget, it will be after this date that the workforce implications of the budget can be implemented.

After any redundancy selection process has been completed, displaced staff will then be served with their contractual notice which could range from a 4

week period up to 12 weeks, which depends on the employee's length of service.

8. Reserves and Contingency Fund Requirement

Background

- 8.1. It is a requirement of the Local Government Finance Act 1992 that authorities have regard to the level of reserves when calculating their Budget Requirement. Whilst there is no prescribed statutory minimum level of reserves, account should be taken of the strategic, operational and financial risks facing the Council.
- 8.2. In assessing the adequacy of reserves account needs to be taken of the following general factors:
- treatment of inflation and interest rates
 - level and timing of capital receipts
 - treatment of demand led pressures
 - expected performance against challenging budget requirements
 - treatment of planned efficiency savings / productivity gains
 - financial risks inherent in major capital developments and funding
 - the availability of reserves, government grants and other funds
 - general financial climate to which the authority is subject

The Section 151 Officer continues, as set out below, to view General Reserves as already being at the absolute minimum safe level. Furthermore as the revenue budget continues to grow, the relative value and thus acceptability to the Section 151 Officer of the already low absolute level of General Reserves diminishes further, albeit mitigated to some extent by the growth in temporary earmarked reserves. Any consideration on use of reserves to fund the 2021/22 Revenue Budget is dependent on the level of confidence in predicting 2020/21 Revenue Outturn and the overall draw from those reserves. At present it remains the case therefore that there should ordinarily be no planned use of general reserves for any future budgets and indeed an expectation of the Section 151 Officer that longer term, General Reserves will need to be bolstered to maintain their relative value when compared to the overall growth in budgets and risks and uncertainties faced.

Setting the level of reserves is just one of several related decisions in the formulation of the Medium Term Financial Strategy i.e. it is more than a short term decision.

- 8.3. In considering reserve levels Members should have specific regard to:-
- The report of the Section 151 Officer to Council on 1st October 2020 'Review of Revenue Reserves'
 - The guidance issued by Welsh Government and circulated to all Members advising on methods that might be employed when reviewing the overall reserves of the Council.

General Reserves

- 8.4. The General Reserve amounted to £9.352m at 1st April 2020.
- 8.5. The Revenue Budget for 2020/21 approved by Council on 5th March 2020 assumed no transfer from General Reserves and there is no movement in the General Reserve currently expected during 2020/21, although any final determination on the use of reserves will depend on the outturn position for 2020/21.
- 8.6. In the opinion of the S151 Officer the level of the General Reserve is currently at the very minimum recommended level and as such there is no assumed transfer from the reserve to support the 2021/22 budget.

Therefore the level of General Fund balances estimated at 31st March 2022 would be £9.352m.

Longer term the Section 151 Officer expects there to be a need to increase General Reserves to maintain their relative and proportionate value as revenue budgets and risks and uncertainties grow significantly.

Contingency Fund

- 8.7. The 3rd quarter financial monitoring report details several forecast uses of the Contingency Fund in 2020/21. At this time, it is anticipated that the original £3.621m 2020/21 budgeted contribution, plus the additional £6.306m carried forward from 2019/20, will be fully expended and/or used to fund the Council's final outturn position. Given the overall position as forecast in the 3rd quarter budget monitoring report for 2020/21 considered elsewhere on this agenda, the forecast Fund balance as at 31st March 2021 is nil.
- 8.8. In assessing the value of the Contingency Fund requirement in 2021/22, the following potential requirements are relevant:
- The risks and issues detailed in Section 11 below.
 - The need to provide a substantial potential source of finance for repeated potential overspending in services given past performance, bearing in mind the Council has now likely exhausted all other Earmarked Reserves.
 - The continuing uncertainty for Public Finances as set out in the Cabinet report on 21st January and summarised in the MTFP report elsewhere on the agenda.
 - The expectation that any emerging additional inflationary pressures beyond the large already budgeted items (National Living Wage, pay awards) will be a call on the fund in year.
- 8.9. Bearing the above in mind, together with the proposals in respect of funding current year service pressures within the 2021/22 base budget, and the reduced risk of repeating overspending from 2020/21, it is now recommended that the contribution to the base budget Contingency Fund in respect of 2021/22 remains the same at £3.621m depending upon any further budget

decisions Cabinet is also minded to recommend. Again this is considered the absolute minimum range necessary to be maintained in light of the likely risks and issues facing this Council.

Earmarked Reserves

- 8.10. The Council retains earmarked reserves for specific purposes. The reasons for holding these reserves are documented and are subject to ongoing review and scrutiny. The forecast transfers to and from reserves are summarised in Appendix C.

On 1st October 2020 Council received and approved a report detailing a formal review and re-allocation of Earmarked Revenue Reserves.

- 8.11. From the usual list of specific grants announced by the Welsh Government for 2021/22 it appears that where there are reductions to grants these are not significant so it is unlikely that there will be a significant impact on Swansea.

It should however be noted that the grants awarded during 2020/21 in respect of COVID-19 have either not been announced yet or have been reduced dramatically from the 2020/21 value. Should the effects of the pandemic continue into 2021/22 this will be a huge risk. The scale is such that of those grants confirmed there is a drop from nearly £600m available in 2020/21 to just £13m in 2021/22 at an all Wales level for local government. The budget advice of the Section 151 Officer is given with the explicit statement of that fundamental uncertainty risk.

Past experience has shown that whilst it is extant Council policy that any reduction in specific grant should be met from an equal reduction in service expenditure, there is often a lag between loss of grant and reduction in costs/change in service levels.

It is also clear that in respect of some specific grants any reduction in associated expenditure may have a detrimental effect in meeting service targets with a consequential increase in future financial penalties.

There are no remaining reserves specifically to protect against grant losses so any reductions will fall firstly to the Service department to manage or if significant will have to be considered for funding from the Contingency Fund.

Review of Insurance Fund

- 8.12. A review was completed of the sums set aside to provide for future claims which are not known or only partly known at this time. Such claims can be very significant and can relate to past periods going back many years.
- 8.13. In the light of that assessment £700k was released for the three years starting with 2017/18 and was already reflected in the budget proposals previously considered by Cabinet. This was extended as part of the budget processes for 2018/19 and 2019/20 so will now end in 2022/23.

Adequacy of Reserves

- 8.14. Whilst the proposed use of Earmarked Reserves in 2021/22 funds one off and some recurring expenditure, taking into account the level of General and Earmarked Reserves which would be available should there be an overriding financial requirement, and the arrangements in place to monitor and manage financial risk in 2021/22 and future years, I am just satisfied that the proposed management of reserves in 2021/22 will result in a forecast level of General Reserves, Earmarked Reserves and Provisions which may be considered adequate, subject to the potential financial implications of the risks described in Section 11 below and the final budget proposals recommended by Cabinet to Council.
- 8.15. Given the considerable risks and uncertainties facing the Council in 2021/22 and future years, it remains my advice as the officer designated with responsibility for the overall finances of the Council that the above represents reasonable prudent financial management having due regard to service pressures and funding constraints. Nevertheless, increasingly the risks associated with the budget, especially any non-deliverability in practice of planned savings remains very pronounced. This is especially important when viewed in the context of draws from General Reserves in 2017/18 and Earmarked Reserves in 2018/19, which cannot be repeated. Put simply and bluntly both those routes are now all but fully exhausted going forward and Council will have to consider some or all of the following in future years:
- Service reductions
 - Reductions in future capital aspirations
 - Further council tax increases each year
 - Some short term draws from the earmarked reserves set up to manage budgets through to 2025/26, but with an explicitly acceptance and understanding that these are one off mitigations only to enable longer term adjustment to the highly likely tighter public sector funding environment

9. Budget Requirement and Council Tax 2021/22

- 9.1. The Council's recommended requirement is set out in Appendix A. The City and County of Swansea Requirement of £490.181m will be financed partly by Revenue Support Grant of £269.725m and National Non-Domestic Rates of £82.917m.

Based on the report to Cabinet on 21st January 2021, and in line with assumptions contained in the Welsh Government's spending assessment for Swansea, a Council Tax rise of 4.32% would have generated an additional sum of £8.708m including assumptions on council tax premiums.

However, following early consultation indications and other refinements, Cabinet are asked to consider a slightly lower Council Tax rise of 3.99%, which would generate a sum of £8.265m, a band 'D' charge of £1,462.39

Taking consequential lower Council Tax Reduction Scheme support costs into consideration there is a net reduction in proposed income of £0.443m. This has been funded by a reduction to pressures as detailed in Table 1(a).

This remains provisional pending the final local government finance settlement which is due on 2nd March and it is envisaged that as long as there are no material changes at final settlement that this can be contained within the margins of error in the assumptions and estimates already used in this report and accommodated by adjusting contingency. Council will be advised of the final settlement figure before making a final determination on budget and Council Tax and any implications it may have to take into account.

9.2. Including Community Councils, the total requirement, after taking account of proposals in respect of reserve transfers and currently assumed savings, is £491.763m.

9.3. The above proposals are based on an indicative Council Tax rise which is within the range of planning assumptions of the Medium Term Financial Plan.

10. Summary of Funding 2021/22

10.1. The implications of Sections 4, 5, 6, 7 and 8 above, together with the assumed 3.99% rise in Council Tax identified in Section 9 above, results in a forecast additional funding of £29.588m in 2021/22 as detailed in Table 4:

Table 4 – Budget Proposals 2021/22

	£'000
Savings identified per Section 5.3 above	8,062
Net effect of Council tax base increase and proposed charges	8,265
Aggregate External Finance increase	13,261
Overall resourcing	29,588

10.2. Cabinet is asked to consider whether, as a result of the consultation exercise, it wishes to make any further changes to the budget savings proposals for 2021/22 and, if so, any other consequential changes that may need to be addressed. The wholly expected and fully built in increase in AEF should be seen as an opportunity to maintain targeted investment in to the Council's priorities and preventative action in particular, not to slow down the pace of change or the level of required savings.

11. Assessment of Risks and Uncertainties

11.1. As in previous years, there are a number of potential costs which have been considered in the context of the budget proposals. In particular :-

(a) Implications of Specific 2020/21 Overspends

The 3rd quarter financial monitoring report, discussed elsewhere on this agenda, highlights a number of service overspends, albeit predominantly

driven by the COVID-19 response. It is anticipated that remedial action already in place will serve to mitigate some of the overspends identified. Where this is not the case, then adjustment via the Contingency Fund will have to be made for any items that are seen to re-occur.

(b) Unavoidable Spending Requirements

All services will need to meet a range of additional / new pressures in 2021/22. These include the implications of new legislation; demographic changes; final completion of the single status appeals process; and other requirements. Whilst reasonable provision has been made for these costs, there is a risk that some items will result in overspends. In particular it has previously been the case that the cost of pay protection arising out of single status implementation can be funded centrally, going forward any and all costs that arise as a result of the appeals process will have to be met from within specific existing Directorate budgets.

(c) Savings

It is essential in terms of the financial challenges facing the Council beyond 2021/22 that further savings proposals are continuously developed as part of the transition from the *Sustainable Swansea* to the *Achieving Better Together* programme and **implemented over and above those proposed within this budget to provide some future headroom**. This will be a continuation of plans already underway and specifically include existing and the next waves of reviews which **must be rapidly turning recovery plans and assumptions into delivered reality, otherwise service savings will fail to be delivered and net spending pressure return to service budgets for which immediate corrective action will be required**.

The 2021/22 budget includes significant and extensive savings targets which must be fully achieved. **It is a fundamental requirement of the Council's financial procedure rules that Responsible Officers are required to manage expenditure within approved budgets of the Council and to that extent it is essential, should specific proposed budget savings be delayed or postponed, that alternative savings are fully achieved in year to meet approved Directorate Budgets**.

Given the nature and scale of the savings challenge during 2021/22, there will be continued and enhanced monitoring and tracking of progress in achieving budget savings which will be reported to Corporate Management Team, Reshaping Board, Recovery Board and Cabinet.

As noted above, further proposals will be brought to Cabinet during the year as necessary.

(d) Inflation

Where there have been specific announcements around minimum wage increases an estimate has been included around the potential additional costs

that may fall to the Council from external contractors. In addition £1.4m has been provided for potential inflationary increases in areas where there is a significant element of contracted out services.

(e) Care Home Fees

Budget provision has been made for the 2021 contract settlement with care home providers. However, it is likely that fees will need to be further monitored given that the Council has to undertake an annual review of payments to care home providers which must be robust and evidenced – see specific provision for inflation above.

(f) Specific Grants

In the event that the level of specific grants awarded for 2021/22 is less than that for 2020/21, it is essential that Directorates take action to manage such reductions within the proposed spending limits – i.e. there is no ongoing corporate provision for meeting such shortfalls. There is a clear expectation that expenditure will be cut to match the level of grant.

It is, however, acknowledged based on past experience that where specific grants are reduced there may be a time lag between reduction in funding and the Council's ability to reduce costs. It is equally clear that in some areas currently funded by specific grant the Council will, for operational or service reasons, wish to maintain expenditure. Any future bids for funding to cover loss of specific grants will have to be made against the already pressured contingency fund.

(g) Equal Pay Back Payments

The bulk of equal pay claims both in number and value have now been fully settled. However, legislation is such that further claims cannot be precluded although the introduction of the compliant pay and grading structure from 1st April 2014 will significantly lessen risk in this area over time.

(h) Implementation of Single Status

Whilst the Council implemented a compliant pay and grading structure from 1st April 2014, there has been a significant number of appeals against grades awarded. Where these appeals have been successful, it will lead to additional costs over and above the grade initially allocated including incremental costs over a period of up to five years, of which 2018/19 represented the last year and effectively this risk has now dropped out from 2019/20.

(i) Council Tax Reduction Scheme

Provision has been made for the estimated costs which are now linked directly to any proposed increases in Council Tax Levels.

(j) COVID-19 and COVID-19 Grants

There is a real risk that the impact of the COVID-19 pandemic will continue into 2021/22 and beyond, at a level higher than that anticipated. There is also a risk that the ongoing effects of the pandemic could continue to affect national and indeed global finances.

The Welsh Government has reduced dramatically the grant funding available for the impact of COVID-19 in 2021/22 compared to that available in 2020/21. This is a significant financial risk as things are unlikely to return to normality that rapidly in practice.

(k) Capital Financing Charges

There is a risk that the funding ask (in respect especially of additional unsupported borrowing) highlighted in the Capital Budget report elsewhere on the agenda will result in additional charges over and above the agreed budget provision.

The report on the Capital Programme for 2020/21 – 2026/27 elsewhere on this agenda highlights specific actions that need to be taken to mitigate against future increases in revenue costs linked to increases in unsupported borrowing and further externalisation of current debt.

In additional mitigation, there was a report to Council on 20th December 2018 in respect of the formal review of the Minimum Revenue Provision. This has the benefit of reducing capital financing charges in the short to medium term, albeit at the expense of increases in the medium to longer term, before once again reducing in the very long term. These shorter-term savings have been built into the budget for 2021/22 and beyond.

The low interest rate and bond yield environment has resulted in historically low interest rates available from the PWLB in the past few years, which the Authority has taken advantage of in funding its capital financing requirement. Although the PWLB have removed the 1% penalty premium on new local authority borrowing (subject to certain criteria), consideration will also need to be given to sourcing funding at cheaper rates from the following:

- Local authorities
- Financial institutions
- Municipal Bonds Agency

The degree which any of these options proves cheaper than PWLB Certainty Rate is still evolving at the time of writing but the Section 151 Officer is delegated to identify the most economically advantageous funding option.

- 11.2. Whilst reasonable assumptions have been made in relation to each of the above risks it is impossible to be certain that adequate funding will be available for every item. This re-enforces the need to have adequate reserves and balances available to meet any unexpected costs or shortfalls.

- 11.3. The above risks are both substantial and potentially significant in value. Therefore during 2021/22 specific actions are being put in place which will involve:-
- Monthly monitoring of specific savings targets against an agreed implementation timetable in order to identify any slippage and appropriate and equivalent compensating budget savings.
 - Ensuring compliance with the Council's Financial Procedure Rules, which require Responsible Officers to manage budgets within the limits set by Council.
 - The impact of any changes to specific grant funding streams.

12. Equality and Engagement Implications

- 12.1. The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

- 12.2. Budget proposals continue to be subject to the Council's Equality Impact Assessment (EIA) process. Appendix F contains the Equality Impact Assessment (EIA) Statement for the Budget. The focus continues to be on mitigation of impact on the community.
- 12.3. Due to both the nature of the proposals being considered and the regulatory framework around EIAs, many now take a number of months to reach a conclusion. The budget planning process operates over a 3-year period, with many proposals being considered, designed and altered prior to implementation over this time period.
- 12.4. Officers are always advised to undertake the initial screening as early as they can, with (if required) a full EIA report then opened as soon as possible. This is then completed as proposals are worked through and means that we are now working on budget EIAs throughout the year. As a result, the assessment of impact is not a one-off exercise – it is a continuing process.
- 12.5. To ensure ongoing rigorous process, the following elements are of note:
- Where officers have concerns and/or queries, meetings are held with the Access to Services Team to look at both the proposal and the EIA
 - EIA reports are often added to over a period of time, e.g. following consultation and engagement activities, following changes to the detail of proposals
 - Quality assurance is carried out by officers with expertise in the areas of equality, Welsh language, poverty and the UNCRC

- Where a proposal has potential adverse impacts that cannot be mitigated, the EIA is referred to senior managers for attention and consideration.
- 12.6. In addition, with a number of both commissioning and other reviews underway across the organisation, the total or overall impact of the proposed budget is difficult to fully assess at any point of implementation, particularly with the EIA process being a continuing feature as proposals are further developed. Therefore we will continue to publish each EIA report with the relevant corporate report at [Browse Meetings, 2000 - City and County of Swansea](#)
- 13. The Medium Term Financial Plan (MTFP) 2022/23 – 2025/26**
- 13.1. Many of the issues identified in this report have implications for future years. The MTFP report elsewhere on the agenda includes an assessment of likely shortfalls in future years and outline proposals for achieving savings.
- 14. Legal Implications**
- 14.1. The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

Background papers : None

Appendix 'A' Revenue Budget Summary 2021/22
 Appendix 'B' Net Directorate Budget Proposals
 Appendix 'C' Earmarked Reserves
 Appendix 'D' Specific Savings Proposals and Service Investment
 Appendix 'E' Summary of Consultation Responses
 Appendix 'F' Equality Impact Assessment Statement
 Appendix 'G' Response of the Schools' Budget Forum
 Appendix 'H' Sustainable Development Impact Assessment
 Appendix 'I' Directorate Budgets

	APPENDIX A	
REVENUE BUDGET SUMMARY 2021/22		
DIRECTORATE	REBASED	ORIGINAL
	BUDGET	BUDGET
	2020/21	2021/22
	£'000	£'000
RESOURCES	27,275	29,378
RESOURCES - COUNCIL TAX REDUCTION SCHEME	22,567	25,067
POVERTY AND PREVENTION	4,540	4,460
SOCIAL SERVICES	120,194	124,234
EDUCATION	21,381	21,127
EDUCATION - DELEGATED TO SCHOOLS	160,452	167,304
PLACE	58,306	64,469
CROSS CUTTING SAVINGS	-194	0
NET DIRECTORATE EXPENDITURE	414,521	436,039
SPECIFIC PROVISION FOR INFLATION / APPRENTICESHIP LEVY	2,850	4,250
<i>OTHER ITEMS</i>		
LEVIES		
SWANSEA BAY PORT HEALTH AUTHORITY	87	88
CONTRIBUTIONS		
MID & WEST WALES COMBINED FIRE AUTHORITY	13,741	14,120
<i>CAPITAL FINANCING CHARGES</i>		
PRINCIPAL REPAYMENTS	16,368	17,534
NET INTEREST CHARGES	20,010	20,010
NET REVENUE EXPENDITURE	467,577	492,041
<i>MOVEMENT IN RESERVES</i>		
GENERAL RESERVES	0	0
EARMARKED RESERVES	678	-2,278
TOTAL BUDGET REQUIREMENT	468,255	489,763
DISCRETIONARY RATE RELIEF	400	418
TOTAL CITY AND COUNTY OF SWANSEA REQUIREMENT	468,655	490,181
COMMUNITY COUNCIL PRECEPTS	1,582	1,641
TOTAL REQUIREMENT	470,237	491,822
FINANCING OF TOTAL REQUIREMENT		
REVENUE SUPPORT GRANT	253,660	269,725
NATIONAL NON-DOMESTIC RATES	85,721	82,917
COUNCIL TAX - CITY AND COUNTY OF SWANSEA	129,274	137,539
COUNCIL TAX - COMMUNITY COUNCILS	1,582	1,641
TOTAL FINANCING	470,237	491,822
COUNCIL TAX BASE for the City and County of Swansea	91,923	94,051
COUNCIL TAX AT BAND 'D' (£) for the City and County of Swansea	1,406.33	1,462.39
GENERAL RESERVES		
AT 1 APRIL	9,352	9,352
AT 31 MARCH	9,352	9,352

REVENUE BUDGET 2021/22									
NET DIRECTORATE BUDGET PROPOSALS									
	Resources	Resources - Council Tax Reduction Scheme	Poverty and Prevention	Social Services	Education	Education - Delegated to Schools	Place	To be allocated	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Original estimate 2020/21	49,842	0	4,368	120,366	21,381	160,452	58,306	-194	414,521
Directorate Transfers	-22,567	22,567	172	-172	0	0	0	0	0
Original estimates following transfers	27,275	22,567	4,540	120,194	21,381	160,452	58,306	-194	414,521
Transfer to (+) / from (-) reserves 2020/21	-1,828	0	0	-200	35	0	-250	0	-2,243
Original estimate 2020/21 excluding reserves	25,447	22,567	4,540	119,994	21,416	160,452	58,056	-194	412,278
Transfers for specific items 2020/21	0	0	0	0	0	0	0	0	0
Baseline adjustments 2020/21	135	0	-106	-18	42	0	-53	0	0
Adjusted service budgets 2020/21	25,582	22,567	4,434	119,976	21,458	160,452	58,003	-194	412,278
Baseline adjustments 2021/22	0	0	-34	34	-1,810	2,149	0	194	533
Spending Needs	2,585	2,500	175	8,055	2,400	2,403	6,000	0	24,118
Pay inflation provision	53	0	110	550	200	2,300	760	0	3,973
Savings:									
Specific consultation proposals	-626	0	-225	-4,581	-1,086	0	-544	0	-7,062
Original estimate 2021/22 excluding reserves	27,594	25,067	4,460	124,034	21,162	167,304	64,219	0	433,840
Transfer to (-) / from (+) reserves 2021/22	1,784	0	0	200	-35	0	250	0	2,199
Net Directorate budgets 2021/22	29,378	25,067	4,460	124,234	21,127	167,304	64,469	0	436,039

APPENDIX B

REVENUE BUDGET 2021/22

EARMARKED RESERVES

	Balance 31/03/20 £000	2020/21 £000	Balance 31/03/21 £000	2021/22 £000	Balance 31/03/22 £000
DIRECTORATE RESERVES					
Equalisation reserves	-21,678	4,000	-17,678	5,874	-11,804
Commuted sums	-6,991	97	-6,894	60	-6,834
Repair & renewal funds	-1,945	-212	-2,157	-210	-2,367
Profit share	-1,488	-66	-1,554	-66	-1,620
Service reserves	-9,857	-43	-9,900	-478	-10,378
TOTAL DIRECTORATE RESERVES	-41,959	3,776	-38,183	5,180	-33,003
CORPORATE RESERVES					
Contingency Fund	-6,306	6,306	0	-3,621	-3,621
Insurance	-16,332	2,200	-14,132	700	-13,432
Job Evaluation earmarked	0	0	0	0	0
Transformation/Efficiency	-3,047	-8,495	-11,542	0	-11,542
TOTAL CORPORATE RESERVES	-25,685	11	-25,674	-2,921	-28,595
UNUSABLE/TECHNICAL RESERVES	-1,695	51	-1,644	19	-1,625
SCHOOLS DELEGATED RESERVES*	-7,729	0	-7,729	0	-7,729
TOTAL RESERVES	-77,068	3,838	-73,230	2,278	-70,952

* There is no updated information available for schools for 2020/21 or 2021/22.

APPENDIX D

Part 1 – Savings Proposals

Director	Head of Service Budget	Savings Proposal	Savings 2021/22 £'000
Education	Non-Delegated	Further reductions in regional improvement service, consistent with funding settlements	16
Education	Non-Delegated	ALN Transport - review of spread and nature of STF provision / review of assessment / processes to better promote independent travel and integrate provision with Social Services(unless savings are taken corporately and base budget reduced)	50
Education	Non-Delegated	School Meal prices: further increases to reflect increased costs (previously agreed and to be reviewed each year)	80
Education	Non-Delegated	Home to School Transport - savings identified as part of wider focused scrutiny of nature and spread of educational provision (unless savings are taken corporately and base budget reduced)	100
Education	Non-Delegated	Catering and Cleaning services - Continuing work towards full cost recovery through SLAs where schools are receiving additional funding to reflect such cost pressures	100
Education	Non-Delegated	Reducing pupil mobility - bringing forward future managed savings through new EOTAS model	150
Education	Non-Delegated	Review of Out of County placements / delivery model - dependent on additional special school places	250
Education	Non-Delegated	Review of demand and service pressures with need for still tighter mitigation actions to replace the savings targets within the existing MTFP which are undeliverable to the timescale required	340
		Education	1,086
Place	Corporate Property Services	Reduce maintenance on a number of building assets assuming a number will have transferred (or would need to be closed)	50
Place	Highways and Transportation	CTU service become commercial operation within 2 year or externalise service	250
Place	Housing & Public Protection	Introduce paid for advice and approval service for businesses across Food Safety and Trading Standards functions	10
Place	Housing & Public Protection	Proceeds of Crime (POCA) income to be reinvested in core Trading Standards Service	10
Place	Housing & Public Protection	Stop Renewal Area programme in Swansea when Sandfields Renewal Area status expires in 2019 and reduce private sector renewal activity. This will mean no further private sector house condition survey/renewal assessments are done and no further Council led area based private home improvement schemes can be implemented	14
Place	Housing & Public Protection	Registrars - Set a fee to 'save the date' for future weddings. Proposal to charge £25 per booking. Average of 1000 marriages a year.	25

Director	Head of Service Budget	Savings Proposal	Savings 2021/22 £'000
Place	Housing & Public Protection	Above inflation (5%) increase to fees and charges and increased income generation activity across Bereavement Services, Registration Services, Building Control, Trading Standards, Food & Safety, HMO licensing and Housing Renewals. Main risk in Burials and Registrations is terms of remaining competitive with direct LA neighbours	150
Place	Planning & City Regeneration	Reduce net cost of Natural Environment services by generating additional income and maximise use of grants	25
Place	Waste Management & Parks	Increase graffiti charges by 200% over 4 years to ensure full cost recovery	10
Place		Savings Temporarily funded by one-off COVID money	1,000
		Place	1,544
Resources	Communication & Marketing	Reduction in operating budget	20
Resources	Communication & Marketing	Freezing Vacant Post	30
Resources	Communication & Marketing	DesignPrint - To reduce the amount of printed material across the council through centralising budgets	50
Resources	Communication & Marketing	Building costs savings due to relocation to the Civic Centre.	70
Resources	Customer Services & Complaints	Reshaping of how we deliver customer services and complaints	69
Resources	Digital Services	Savings from across budget	28
Resources	Finance	CTRS - Carefully managed use of CTRS budget	0
Resources	Finance	Brings forward modest planned staffing reductions through vacant post and ER/VR management in Service Centre linked to Oracle modernisation	0
Resources	Finance	NDR & Business Grant Administration - One off extra income from processing likely extra covid related grants in 21-22	0
Resources	HR&OD	Reshaping the delivery of the service and wider functions and freezing vacant posts	199
Resources	Legal Services	Increase in income	3
Resources	Legal Services	Reduction to Supplies & Services	52
Resources	Legal Services	Legal - Saving from freezing vacant posts	105
		Resources	626
Social Services	Adult Services	Efficiencies linked to the spending control and processes in relation to the share of costs of packages of care for individuals with complex health and care needs through bi/tri partite agreements with the Health board and other statutory partners	100
Social Services	Adult Services	Increase regional investment in Hospital to Home Recovery Service to bear down on unnecessary recourse to care)	146

Director	Head of Service Budget	Savings Proposal	Savings 2021/22 £'000
Social Services	Adult Services	Efficiency savings in Printing, Car Allowance, Staff Expenses and Stationary Budgets across the service due to changes in working practices	200
Social Services	Adult Services	Transformational co-produced future model for Day Services, based on lessons learned through Covid	200
Social Services	Adult Services	Increase efficiencies (transactional savings) in costs of direct payments	200
Social Services	Adult Services	1% reduction on staffing budget through vacancy management processes and maximising use of available grant funding.	350
Social Services	Adult Services	Realise savings in efficiencies through the Supported Living retender	400
Social Services	Adult Services	Work though Complex Needs high cost placements and establish a collaborative approach with Health and other statutory partners for funding these packages of care	400
Social Services	Adult Services	Continue with the Right Sizing Packages of Domiciliary Care work to reduce expenditure and under delivery	450
Social Services	Adult Services	Increase funded contributions to costs of packages of care	500
Social Services	Child & Family Services	Integrate Family Support Services across Council into a single family support function focussed on better prevention	50
Social Services	Child & Family Services	Reduce the number of independent foster placements	50
Social Services	Child & Family Services	Efficiency savings in Printing, Car Allowance, Staff Expenses and Stationary Budgets across the service due to changes in working practices	100
Social Services	Child & Family Services	Reduce expenditure on external providers through recommissioning contracts achieving best value	180
Social Services	Child & Family Services	Efficiency savings within supported accommodation for 16 - 17 year olds through recommissioning of fixed accommodation for YP.	250
Social Services	Child & Family Services	Work though Complex Needs high cost placements and establish a criteria and equitable formula for funding these placements with Health and other statutory partners	500
Social Services	Child & Family Services	2.5% reduction on staffing budget through vacancy management processes and maximising use of available grant funding	505
Social Services	Poverty & Prevention Services	Efficiency savings in Printing, Car Allowance, Staff Expenses and Stationary Budgets across the service due to changes in working practices	20
Social Services	Poverty & Prevention Services	1% reduction on staffing budget through vacancy management processes and maximising use of available grant funding.	20

Director	Head of Service Budget	Savings Proposal	Savings 2021/22 £'000
Social Services	Poverty & Prevention Services	20% reduction of core funding for Childcare and Play Grants and replace with available grant funding	35
Social Services	Poverty & Prevention Services	Restructure life stages team within wider staffing structure realising staffing efficiencies	50
Social Services	Poverty & Prevention Services	Diversify Adult Community Learning delivery offer post Covid to address need and maximise use of available Grant	100
		Social Services	4,806
		Grand Total	8,062

Part 2 – Service Pressures and Investment

Director	Head of Service Budget	Description	2021/22 £'000
Cross Cutting	All	Reinstate budget for cross cutting items	194
Education	Non-Delegated	Investment needed to correct Arfryn/PRU budgets	42
Education	Delegated	Additional money for schools	1,803
Resources	Resources	To reinstate previous savings to acknowledge need for investment in services	230
Resources	Commercial Services	Investment in Commercial Services post	40
Social Services	Adult Services	Various Adult Services pressures including loss of income (grants), staff costs, inflationary contract costs and ongoing additional COVID-19 costs	2,445
Social Services	Adult Services	Investment in Adult Services, acknowledging likely ongoing increased costs relating to COVID-19	2,400
Social Services	Child & Family Services	Various Child and Family Services pressures including loss of income (grants), staff costs, inflationary contract costs and ongoing additional COVID-19 costs	110
Social Services	Poverty & Prevention Services	Various Poverty and Prevention Services pressures including loss of income (grants), staff costs, inflationary contract costs and ongoing additional COVID-19 costs	175
		Grand Total	7,439

Changes to the budget proposal report are shown in ***Bold Italic***

Budget Consultation Results 2021

1. Budget Consultation

Consultation on the specific budget proposals ran from 22nd January 2020 to 21st February 2020. A survey was produced detailing the council's budget proposals, giving people the opportunity to provide their feedback. In total 188 people took part in the general budget consultation survey. **(Please note the survey is still ongoing at the time of writing this report and results are interim as of 5th February)**

The consultation was available online at www.swansea.gov.uk/budgetsurvey

664 visits to our Budget Consultation webpages. The link on Staffnet went straight to the main budget page.

Communication and Social Media (up to 5th February)

The consultation was promoted across Swansea within the press and social media. This resulted in:

- 2 press releases resulting in three media mentions, including two page leads in EP and an article on Walesonline
- Four social media posts with a total reach of 11.2k

Budget Consultation Summary Results (full results Appendix 1)

The survey provided the opportunity for people to have their say on:

- Future funding of services
- Proposed spend 2020/21
- Future Spend
- Budget Report

Future funding of services

47% Would you be prepared to pay more for some services rather than lose them?

70% Would you prefer for the Council to deliver services in a different way rather than lose them?

Proposed Spend

82% Agree that Social Services and Education should remain the Council's priority in terms of future spend?

Future Spend

Respondents were asked: **If there was money available, in which areas would you like to see the Council invest in?**

Areas which were selected the most are outlined below:

49% Street/Road Repairs

46% Care for Older People and Disabled Adults

41% Parks & Green Spaces

42% Tackling Poverty

39% Keeping Children Safe

37% Housing and Homelessness

Budget Report

Due to the nature of this year's budget there were no specific budget proposals which required public consultation at this time. Comments on the overall budget report were sorted, to date 48 comments have been received.

Text comments provided in the survey have been presented in full to Cabinet members for consideration.

If you require this survey in an alternative format e.g. large print please email consultation@swansea.gov.uk or tel 01792 636732

Are you ...

96 (51.1%)	A member of the public	4 (2.1%)	A third sector organisation/partner organisation (please specify)
88 (46.8%)	A council employee	0 (0.0%)	A private sector organisation/partner organisation (please specify)
0 (0.0%)	An elected member		
3 (100.0%)			

Future funding of services

Due to the size of the budget challenge facing the Council in the coming years, we may not be able to provide the same number or level of services in the future.

Would you prefer to be prepared to pay more for some services rather than lose them?

83 (47.4%) Yes
92 (52.6%) No

If yes, please state in the box below which services you would be prepared to pay towards in the future:

71 (100.0%)

Would you prefer for the Council to deliver services in a different way rather than lose them?

121 (69.5%) Yes
53 (30.5%) No

If yes, please state in the box below how would you like services delivered differently in the future.

84 (100.0%)

Proposed Spend 2021/22:

Do you agree or disagree that Social Services and Education should remain the Council's priority in terms of future spend?

61 (34.3%) Strongly Agree
84 (47.2%) Tend to Agree
20 (11.2%) Tend to Disagree
13 (7.3%) Strongly Disagree

If you disagree, please tell us why?

38 (100.0%)

Future Spend:**If there was money available, in which areas would you like to see the Council invest in?**

83 (46.1%)	Care for Older People and Disabled Adults	37 (20.6%)	Council Housing
14 (7.8%)	Keeping people informed about the Council	15 (8.3%)	Improvements to Council buildings
35 (19.4%)	Engaging and consulting people on things the council does	66 (36.7%)	Housing & Homelessness
34 (18.9%)	Promoting and supporting Equality and Diversity	76 (42.2%)	Tackling Poverty
11 (6.1%)	Improving the Council's website	47 (26.1%)	Libraries
15 (8.3%)	Promoting and supporting Welsh Language	39 (21.7%)	Community Centres
31 (17.2%)	Making the Council more commercial	57 (31.7%)	Children's Play / Youth Services
71 (39.4%)	Keeping Children Safe	27 (15.0%)	Developing Swansea City Centre
58 (32.2%)	School improvements	30 (16.7%)	Refuse Collection
41 (22.8%)	Additional Learning needs	44 (24.4%)	Recycling services
55 (30.6%)	Education services	58 (32.2%)	Street cleaning
44 (24.4%)	Adult learning	73 (40.6%)	Parks & Green Spaces
88 (48.9%)	Street/Road Repairs	55 (30.6%)	Sports, Leisure & Cultural Facilities
22 (12.2%)	Traffic Management	30 (16.7%)	Transport services/ Bus station
21 (11.7%)	Car Parking	18 (10.0%)	Other (write in)
32 (100.0%)			

Budget**If you have any comments about the budget proposals or anything else contained in the budget Cabinet report please write in here:**

49 (100.0%)

Welsh Language Impact:**Do you have any concerns or evidence to suggest that the Council is treating/using the Welsh language less favourably than English in relation to its proposed budget for 2021/22?**

111 (100.0%)

If yes, please give details and state how the budget suggested will affect opportunities to use the Welsh language in your view?

16 (100.0%)

What changes could be made in order to have a more positive effect on the Welsh language?

50 (100.0%)

About You

These questions are optional, but we need to ask them to understand if our consultation has reached the right people and to understand how different groups may be affected by the proposals allowing us to address this if we can. In accordance with Data Protection law, any information requested on the following questions is held in the strictest confidence for data analysis purposes only. For further information about how Swansea Council uses your personal data, please see our corporate privacy notice on our website.

Are you...?

92 (52.0%) Male
85 (48.0%) Female

Is your gender the same as that which you were assigned at birth?

163 (99.4%) Yes
1 (0.6%) No

How old are you ...

0 (0.0%)	Under 16	35 (19.6%)	56 - 65
5 (2.8%)	16 - 25	16 (8.9%)	66 - 75
22 (12.3%)	26 - 35	7 (3.9%)	76 - 85
42 (23.5%)	36 - 45	1 (0.6%)	Over 85
47 (26.3%)	46 - 55	4 (2.2%)	Prefer not to say

Would you describe yourself as...

Please mark all that apply

105 (59.3%)	British	3 (1.7%)	Other British (please write in at end)
92 (52.0%)	Welsh	0 (0.0%)	Non British (please write in at end)
4 (2.3%)	English	0 (0.0%)	Gypsy/traveller
2 (1.1%)	Irish	0 (0.0%)	Refugee/Asylum Seeker (please write in current/last nationality at end)
1 (0.6%)	Scottish		

Write in here

10 (100.0%)

To what 'ethnic' group do you consider

157 (94.0%)	White - British	0 (0.0%)	Asian or Asian British - Bangladeshi
6 (3.6%)	Any other White background (please write in at end)	0 (0.0%)	Any other Asian background (please write in at end)
0 (0.0%)	Mixed - White & Black Caribbean	0 (0.0%)	Black or Black British - Caribbean
1 (0.6%)	Mixed - White & Black African	0 (0.0%)	Black or Black British - African
1 (0.6%)	Mixed - White & Asian	0 (0.0%)	Any other Black background (please write in at end)
1 (0.6%)	Any other Mixed background (please write in at end)	0 (0.0%)	Chinese
0 (0.0%)	Asian or Asian British - Indian	0 (0.0%)	Other ethnic group (please write in at end)
1 (0.6%)	Asian or Asian British - Pakistani		

Write in here

6 (100.0%)

What is your religion, even if you are not currently practising?

Please mark one box or write in

76 (46.6%)	No religion	1 (0.6%)	Jewish
83 (50.9%)	Christian (including Church of England, Catholic, Protestant, and all other Christian denominations)	0 (0.0%)	Muslim
1 (0.6%)	Buddhist	0 (0.0%)	Sikh
0 (0.0%)	Hindu	2 (1.2%)	Other

Any other religion or philosophical belief (please write in)

3 (100.0%)

Do you consider that you are actively practising your religion?

33 (23.6%) Yes
107 (76.4%) No

What is your sexual orientation

4 (2.4%)	Bisexual	26 (15.7%)	Prefer not to say
5 (3.0%)	Gay/ Lesbian	1 (0.6%)	Other
130 (78.3%)	Heterosexual		

Please write in

4 (100.0%)

Can you understand, speak, read or write Welsh?

Please mark all that apply

27 (16.2%)	Understand spoken Welsh	10 (6.0%)	Write Welsh
10 (6.0%)	Speak Welsh	36 (21.6%)	Learning Welsh
16 (9.6%)	Read Welsh	102 (61.1%)	None of these

Which languages do you use from day to day?

Please mark all that apply

172 (100.0%) English
13 (7.6%) Welsh
1 (0.6%) Other (write in)

Please write in

5 (100.0%)

Do you have any long-standing illness, disability or infirmity?

By long-standing we mean anything that has troubled you over a period of time or that is likely to affect you over time.

This could also be defined Under the Disability Discrimination Act 1995 as: "Having a physical or mental impairment which has a substantial and long term adverse effect on your ability to carry out normal day to day activities."

28 (16.5%) Yes
142 (83.5%) No

Does this illness or disability limit your activities in any way?

23 (15.2%) Yes
128 (84.8%) No

Thank you for your participation

Equality Impact Assessment (EIA) Statement for Swansea Council's Budget 2021/22

1. Introduction

This statement provides an overall view of the budget EIA process for the Council, along with any specific relevant details for 2021.

The budget is set for the council's operation which covers a wide range of services delivered to the citizens of Swansea. This includes both providing and commissioning of services from other organisations and agencies.

We, like other local authorities, will be facing a reduction in budgets every year for the foreseeable future. We also need to manage increased expectation and demand for services and financial pressures in a number of areas across the Council.

The council has faced unprecedented financial pressures over the last few years due to government budget reductions, increased demand for services and extra costs such as teachers' pay and pensions. We think our funding from Welsh Government, whilst substantially positive this year, will not increase our immediate real terms spending power, nor is it likely to increase significantly in future years. This means we will continue to have less to spend in real terms at a time when demand for services like social care is rising. The result of this is a need to find savings of £8.3 million next year and roughly £30 million in savings over the next five years.

Change is already taking place and over the last few years the council has cut costs by being more efficient and more effective in what we do. But this is not enough to meet the scale of cuts and ensure council services are sustainable and fit for the future. Clearly, the sheer amount of savings required means that difficult decisions and potential impacts are inevitable. However, we continue to focus on mitigating any adverse impacts via our EIA process as well as officer expertise.

During 2020, the authority updated and replaced the 'Sustainable Swansea - Fit for the Future' strategy with the new 'Swansea – Achieving Better Together' transformation strategy and programme framework as a means of setting Council priorities, transforming services and addressing current and future deficits.

The council agreed a set of budget principles to help guide the debate and provide an approach driven by council policy.

There are four key issues:

- Improving efficiency
- New models of delivery
- Prevention
- Future service provision

In terms of equality, the council is committed to protecting the vital frontline services that matter most to the people of Swansea, tackling poverty and looking after the most

vulnerable in our communities. This will continue, although services may be delivered in different ways in future.

2. The Equality Impact Assessment (EIA) process

The council has had an EIA process in place for a number of years which was reviewed and streamlined for the second time last year. The process covers:

- The nine protected characteristics covered by the Equality Act 2010
- The Public Sector Equality Duty for Wales
- Consultation and engagement
- Poverty and social exclusion
- Welsh language
- United Nations Convention on the Rights of the Child (UNCRC)
- Carers
- Community cohesion
- Human rights principles.

In order to apply the EIA process, officers follow these steps:

- An initial screening exercise (to identify whether a full EIA report is necessary)
- Completion of a full EIA report (where required)
- Quality assurance and feedback
- Sign off at Head of Service level
- Publication on the Council's website alongside the relevant report
- Review.

Officers have access to dedicated departmental support from members of the Access to Services Team who co-ordinate the quality assurance of EIAs whilst also offering advice and guidance.

The process does not change for specific budget proposals.

3. Assessing impact

Due to both the nature of the proposals being considered and the regulatory framework around EIAs, many now take a number of months to reach a conclusion. The budget planning process operates over a 3-year period, with many proposals being considered, designed and altered prior to implementation over this time period.

Officers are always advised to undertake the initial screening as early as they can, with (if required) a full EIA report then opened as soon as possible. This is then

completed as proposals are worked through and means that we are now working on budget EIAs throughout the year.

As a result, the assessment of impact is not a one-off exercise – it is a continuing process.

To ensure an ongoing rigorous process, the following elements are of note:

- Where officers have concerns and/or queries, meetings are held with the Access to Services Team to look at both the proposal and the EIA
- EIA reports are often added to over a period of time, e.g. following consultation and engagement activities, following changes to the detail of proposals
- Quality assurance is carried out by officers with expertise in the areas of equality, Welsh language, poverty and the UNCRC
- Where a proposal has potential adverse impacts, officers utilise the EIA process to focus on mitigation
- Where a proposal has potential adverse impacts that cannot be mitigated, the EIA is referred to senior managers for attention and consideration.

In addition, with a number of both commissioning and other reviews underway across the organisation, the total or overall impact of the proposed budget is difficult to fully assess at any point of implementation, particularly with the EIA process being a continuing feature as proposals are further developed.

Therefore, we will continue to publish each EIA report with the relevant corporate report at:

<http://democracy.swansea.gov.uk/ieDocHome.aspx?bcr=1&LLL=0?Lang=eng>

4. Consultation and engagement

Whilst there is a specific regulation around engagement (contained within the Public Sector Equality Duty for Wales), our ‘Swansea – Achieving Better Together’ strategy contains a substantial emphasis on consultation and engagement too.

Corporate budget consultation takes place on a wide variety of specific proposals. This includes consultation with children and young people. Others are consulted on using service-specific groups and/or activities.

Corporately, the consultation results are reported separately via the budget reports themselves.

5. Local information

The Council delivers services to all the citizens of the City & County of Swansea. The overall population profile from the latest population estimates (2019) and 2011 Census is as follows:

- Within an overall population of **247,000**, the gender split of the **City & County of Swansea** is **50.1% Female** (123,800 people) and **49.9% Male** (123,200 people).
- Children and young people **aged 0-25 years** represent **32.3%** of the population, or **79,800** people.
- **Over 50s** represent **38.1%** of the population (94,200 people), of which around **48,700** are over 65 (19.7% of the total population).
- In 2011, **6.0%** of the total population of Swansea (**14,300** people) came from an ethnic minority background. In terms of religion, **8,530** people (**3.6%** of the population) belonged to non-Christian faiths with 34% (81,219 people) having no religion.
- **23.3% (55,718 people)** had a long term health problem or disability including 17.4% of people of working age (26,988 people). **6.9%** of those aged 16-74 (**12,146 people**) were economically inactive due to long term sickness or disability.
- There were **26,332** Welsh speakers in Swansea in 2011, or **11.4%** of the population aged 3+. **44,659** people (19.3%) had one or more skills in Welsh.

Further information about Swansea's population can be found at www.swansea.gov.uk/keyfacts

Officers consider the particular service users or groups affected when applying the EIA process.

6. Staffing

The Cabinet report in January 2021 referred to 16 posts at risk throughout the Authority, not including any impact in schools. Heads of Service have been provided with the same advice as in previous years that where an application is made for early retirement/voluntary redundancy consideration should be given as to whether there is any potential equality impact effect and, if there is, to follow the EIA process.

7. Publication Arrangements

All EIA reports will be published as they are finalised. As mentioned earlier in this statement, due to the nature of many of the proposals this is likely to take time as assessment of impact continues to be undertaken as proposals are further developed.

8. Conclusion

We know from previous years that, due to the scale of budget reductions, those with protected characteristics are likely to be affected. In assessing the impact of the budget proposals, we continue to attempt to ensure that any effect is not disproportionate and that we continue to focus on mitigation wherever possible. In this context the following should be noted:

- where EIAs show potential significant impact with no possible mitigation, these proposals will be referred for further consideration

- for those EIAs where potential significant impact has been identified and mitigation has been possible, the associated action plans will be monitored and reviewed
- the outcomes of engagement will inform EIAs
- this is an ongoing process and as noted this statement and many EIAs will remain open for varying periods of time
- there is a focus on the council doing things differently in order to further deliver services that are flexible, citizen-centered, meet individual needs and are sustainable for the future.

The council continues to deliver a wide range of services for all the citizens of Swansea. Many of these are of particular benefit to the areas covered by our EIA process, e.g. the protected characteristics defined within the Equality Act 2010.

As highlighted earlier in this statement, the council is committed to protecting the vital frontline services that matter most to the people of Swansea, tackling poverty and looking after the most vulnerable in our communities. The council will continue to do everything it can to meet this challenging commitment given the financial constraints it faces. However, services may be provided in a different way in line with 'Swansea – Achieving Better Together'.

Response of the Schools Budget Forum

None received at time of publication.

Sustainable Development Impact Assessment

The Well-being of Future Generations Act (Wales) 2015 places a well-being duty on Swansea Council to carry out sustainable development. This is in line with the Council's Sustainable Development Policy and Well-being Objectives.

This means we must work in a way that improves the economic, social, environmental and cultural well-being of Wales, by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals.

The sustainable development principle means **we must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs**. We do this by applying the five ways of working.

Answering the following questions will help the Council apply and demonstrate this thinking from the earliest stage of development, this will improve decision making resulting in better outcomes.

1. The Sustainable Development Principle's Ways of Working

The Five Ways of Working	Examples or summary of how applied
Long term - The importance of balancing short-term needs while safeguarding the ability to also meet long-term needs	<i>The Council's budget is, by legislation, an annual process, so for 1 year only. However there is also a requirement for the Council to set a Medium Term Financial Plan for a minimum of a further three years. We have extended this to five years. This ensures medium term trends and demands are taken into consideration. Even longer term (up to 50 years hence) is considered for lengthy capital programmes and their associated financing and is embedded in the Sustainable Swansea and Recovery Plan principles, where the strategic aim is to balance the budget for current and future years.</i>
Prevention - Acting to prevent problems occurring or getting worse	<i>As part of the budget cycle, pressures are also considered. These could be because of demand growth, or legislative changes or as an invest to save proposal. The invest to save proposals include options to put prevention measures in place to reduce the demand on the service in future years. The Recovery Plan has the strategic aim of transforming to become even more efficient and effective.</i>
Integration -Considering impacts upon each of the well-being goals, well-being objectives, local well-being objectives, or on the objectives of other public bodies	<i>The budget as a whole provides resources for all services to carry out their functions, which should be carried out against a backdrop of all wider plans, strategies and policies. These should include the Local Well-being Plan as well as legislative requirements. All activity resourced by the budget contributes to the Council's six well-being objectives. Many services are carried out by, or with, private and third sector partners, increasing opportunities for aligning approaches. The Recovery Plan has the strategic aim of greater collaboration, which helps drive better integration.</i>
Collaboration - Acting together with other services or external organisation towards our	<i>Producing the budget is a cross Council piece of work – all Directors and Cabinet Members are involved and must work together to produce a balanced budget for recommendation to full Council. As part of the process all Members are involved, in</i>

well-being objectives	<p><i>Scrutiny Committees and when the whole Council approves the final budget. We are working together to ensure a whole Council approach by exploring the impacts of decisions made in one area on other aspects of the Council. There are many examples across the Council of collaboration with external parties, such as care home providers, foodbank operators and Freedom Leisure where the traditional boundaries of costs and benefits are clearly being broken down and the community added value as a whole taken into consideration when making and taking decisions. The budget decision making process takes into account intelligence, context and joint working needs gained through collaborative relationships with partners and funders.</i></p>
<p>Involvement - Involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area served</p>	<p><i>Again, the budget is Council wide and many services exist or continue to exist or improve based on individual services interaction with users, other parts of the council and third party stakeholders. The budget itself goes out to consultation with the wider community, the results of which influence the final decisions made by Council.</i></p> <p><i>The budget framework has the strategic aim of greater and more meaningful engagement with our residents and community. In previous years consultation and engagement with staff, trade unions, residents, partners and other interested parties has been extensive. The pandemic is impacting the range of engagement tools which can be safely used this year although as wide a variety of mechanisms possible are being deployed to engage meaningfully with a diversity of our population. In particular there has been a public survey, which has been promoted to staff, there is consultation with the trade unions and head teachers have been consulted on proposals that affect schools.</i></p>

2. Contribution to Swansea Council's Well-being Objectives

2a.

Our Corporate Plan's Well-being objectives	Are directly supported by this initiative	Are not directly impacted by this initiative	Are in conflict or adversely impacted by this initiative
Safeguarding People from harm	Yes	<input type="checkbox"/>	<input type="checkbox"/>
Improving Education and Skills	Yes	<input type="checkbox"/>	<input type="checkbox"/>
Tackling Poverty	Yes	<input type="checkbox"/>	<input type="checkbox"/>
Transforming our economy and infrastructure	Yes	<input type="checkbox"/>	<input type="checkbox"/>
Maintaining and enhancing Swansea's natural resources and biodiversity	Yes	<input type="checkbox"/>	<input type="checkbox"/>
Transformation and Future Council development	Yes	<input type="checkbox"/>	<input type="checkbox"/>

2b Does the proposal support Swansea Council's well-being objectives taken together as a whole?

The Council's budget is one of the major decisions and resource levers at its disposal that means the Council can work towards achieving its well-being objectives. In times of constrained resources and increased demand it is more important than ever to ensure the resources are correctly directed to activities/services that contribute directly to the well-being objectives and priorities of the Council. The process undertaken each year goes some way to ensuring this happens as both officers and members are involved in the process and are influenced by the consultation results. In times of plenty it is important to ensure that resources are prioritised for spending in the Council's objectives and priorities.

3. Contribution to the National Well-being Goals

How is contribution to the **National Well-being Goals maximised**? Where can you add value? Consider the full goal description not just the title. Consider relevant Journey Checkers.

Well-being Goal (click to view definition)	Primary Goals - tick if key	Any significant positive and/or negative impacts/contributions considered/mitigated
<p><u>A Prosperous Wales</u> An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.</p>	<p>YES</p>	<p>Positive impacts include investment in schools and the procurement team. Where some of the savings to be made may reduce core Education Services mitigation takes the form of putting systems in place to reduce demand. Examples of services and practices that meet this goal of a low carbon society include the procurement team, the use of electric vehicles, education services developing skills, apprenticeships and the capital programme sustainably regenerating the city centre to provide employment and low carbon living opportunities. Some of these areas are getting additional support this year, including an increase to fund additional capital spend and continued support for decarbonisation and renewable energy opportunities.</p>
<p><u>A Resilient Wales</u> A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that</p>	<p>YES</p>	<p>The Council has an enviable portfolio of Parks and open spaces and going forward is ensuring that capital schemes, both Council and private, have a</p>

<p>support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>		<p>green infrastructure and climate adaptation measures. Where resources are limited or reduced the impact on this goal is mitigated by continuing to prioritise green infrastructure. There is a nature conservation team whose role includes increasing awareness and access to biodiverse and natural environments, and the pollution control section maintains protection of water and air quality in the County. While savings are being made to reduce the net cost of Natural Environment services, this will be offset by generating additional income and maximising use of grants.</p>
<p><u>A Healthier Wales</u> A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p>	<p>YES</p>	<p>The budget supports teams responsible for physical health (Leisure Centres and Sports Development) and mental health (Social Services). Active travel and sustainable transport schemes are supported, public protection, pollution control and many more activities the Council carries out contribute to this goal. Choices are made to benefit future generations for example to operate Leisure Centres through a third party meant the continuation and improvement of the service, rather than decline and possible closure, which would have impacted the health of communities in the future. During the COVID-19 pandemic, additional budget is being provided to support some of these services.</p>
<p><u>A More Equal Wales</u> A society that enables people to fulfil their potential no matter what their background or circumstances.</p>	<p>YES</p>	<p>Funding is provided for many services that contribute towards a more equal Wales. There are many Poverty & Prevention teams that work to ensure everyone gets access to services, to financial help and to enable people to compete equally in the employability market. Where savings need to be made such as restructuring the Life Stages Team this is mitigated by integrating the team</p>

		<p>more effectively into the wider structure, generating efficiencies. The budget aims to ensure the Swansea community continues to have equal access to outdoor space, leisure facilities and education. The impact of financial decisions on socio-economic and other disadvantaged or underrepresented groups is fully explored in our EIA.</p>
<p><u>A Wales of Cohesive Communities</u> Attractive, viable, safe and well-connected communities.</p>	<p>YES</p>	<p>The budget supports many services that contribute to making strong communities. There is a Parks service, with a strong 'friends of the botanical gardens' group. There is support for locally managed community centres and community safety initiatives. Community asset transfer offers alternative means of generating funds and protecting community spaces from budget cuts that would not be possible if within Council control.</p>
<p><u>A Wales of Vibrant Culture & Thriving Welsh Language</u> A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, sports and recreation.</p>	<p>YES</p>	<p>The Council has a Cultural Services department, which supports and promotes art galleries, museums and theatre, as well as encouraging participation in the arts, sports and recreation. Staff are encouraged to learn Welsh when they are not already Welsh speakers, and all services use the translation team to translate into Welsh publications in line with the Welsh language standards. The COVID-19 pandemic has closed many venues this year, however the budget has remained in place (and been temporarily increased) to ensure these venues can reopen when safe to do so.</p>
<p><u>A Globally Responsible Wales</u> A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing</p>	<p>YES</p>	<p>The budget supports the Council in working promoting Swansea as a sustainable tourism destination and the budget supports the Council in working to play its part in meeting global challenges.</p>

such a thing may make a positive contribution to global well-being.		Cabinet recently resolved to develop the longer term Climate Change Strategy. The budget's focus on improving efficiency and better use of resources reduces negative impacts on the planet.
Contribution to the seven well-being goals taken together collectively as a set.		<p>The budget is allocated across all services of the Council and as such contributes to all well-being goals. These goals are at the heart of everything the Council does. The budget indirectly addresses the need to ensure we continue to contribute each of the goals in the same way that it ensures each of the Council's well-being objectives are delivered by protecting frontline services as far as possible. The approach taken ensures savings do not decimate a single area but are shared across directorates.</p> <p>This is illustrated sharply by the "gearing" effect of savings on services. In other words, if our current savings requirement of £55m over three years were applied, for example, just to Place Services, the budget for this area would have to be almost cut in its entirety. Consequently, other areas such as Education and Social Care also need to face some relative real terms level of reduction over the next three years, given the relative size of their budgets. Equally, however, if the level of funding for 2021-22 were to be sustained in every future year then these planning assumptions could be very fundamentally reshaped and savings asks reduced or possibly even eliminated.</p>

4. Sustainability

Please identify any key risks and how they may be managed/mitigated taking into account the five ways of working

The key risks associated with the Budget are listed in full in the main body of the report, however they can be summarised as changes to levels of assumed funding, assumed costs or changes to legislative requirements. These are mitigated by the provision of a contingency budget and, as a last resort only, the provision of a general reserve. Both of which are provided for the sole use of providing for unforeseen circumstances, with the contingency aimed at day to day variances and the general reserve for major, catastrophic emergencies.

Currently the COVID-19 pandemic is a huge risk, much of the costs and loss of income are covered by grants from the Welsh Government, but the future impact on local government finances is largely unknown. Evaluating future trends and forecasting a variety of future scenarios has improved our resilience and ability to respond to a volatile environment. The prevention principle is helping us to manage demand where possible in remodelling and investing in services. The integration principle helps us ensure that a broad range of services that help contribute to each of our well-being objectives and goals are protected.

How will the project be governed, monitored and sustain itself?

The budget process follows a well-established process of monitoring and reporting. Forecasts are discussed at monthly performance and financial monitoring meetings, and reported to Cabinet on a quarterly basis. In addition, progress on achieving any savings is monitored each month by the Corporate Management Team and the Reshaping and Budget Strategy Board

The Future Generations Commissioners Frameworks will help you complete or expand on this assessment. These tools can be found alongside more information regarding the Well-being of Future Generations Act (Wales) 2015 at <https://www.swansea.gov.uk/wellbeingfuturegenerations>

Revenue Budget 2021/2022

Resources

	ORIGINAL BUDGET 2020/2021 £	ORIGINAL BUDGET 2021/2022 £
Resources Directorate		
Deputy Chief Executive	194,600	194,800
	194,600	194,800
Chief Finance Officer		
Audit	595,800	596,100
Benefits	3,046,800	3,063,100
Finance DMT	230,700	933,500
Financial Services	1,323,000	1,323,800
Pensions	9,600	12,500
Revenues	515,500	751,000
Service Centre	1,971,100	2,136,300
Treasury and Technical	612,700	613,200
	8,305,200	9,429,500
Chief Legal Officer		
Coroners	742,000	731,600
Democratic Services	2,725,100	2,923,100
Information Governance Unit	167,500	173,700
Legal Services	2,323,900	2,296,400
Overview and Scrutiny Unit	210,600	211,500
	6,169,100	6,336,300
Chief Transformation Officer		
Commercial Team & Procurement	408,300	547,600
Corporate Customer Services & Complaints	891,700	939,500
Digital & Transformation Services	7,732,200	8,142,300
Human Resources & Organisational Development	656,700	591,700
Welsh Translation Unit	149,300	312,100
	9,838,200	10,533,200

Revenue Budget 2021/2022

Resources

	ORIGINAL BUDGET 2020/2021 £	ORIGINAL BUDGET 2021/2022 £
Head of Communications & Marketing		
Access to Services	140,600	112,600
Communications	357,700	477,300
Community Integration Team	104,300	104,300
Corporate Marketing	439,700	281,000
Corporate Mgt Team Support	340,700	350,900
Design and Print	124,300	4,500
Health and Safety	811,300	1,048,900
Human Rights	0	50,000
Strategic Delivery Unit	449,300	454,700
	2,767,900	2,884,200
Council Tax Reduction Scheme		
Benefits	22,567,000	25,067,000
	22,567,000	25,067,000
Total Resources	49,842,000	54,445,000

Revenue Budget 2021/2022

Social Services

	ORIGINAL BUDGET 2020/2021 £	ORIGINAL BUDGET 2021/2022 £
Head of Adult Services		
Directorate Services	5,199,750	5,483,950
Disability Residential & Day Care	6,160,400	5,703,300
Integrated Services - Domiciliary Care & Hubs	23,189,350	21,788,350
Integrated Services - External Residential	16,148,850	16,780,850
Integrated Services - Other	3,078,400	2,968,950
Learning Disabilities & Mental Health Support	19,120,800	19,924,850
Older Persons Residential and Day Care	5,407,400	6,150,400
Safeguarding/Wellbeing	1,815,100	2,662,350
West Glamorgan	200,000	202,700
Business Support Review	-181,000	0
Staffing Savings	-189,800	0
	79,949,250	81,665,700
Head of Child & Family Services		
Accommodation Services	19,653,800	21,429,750
Aftercare	1,346,000	2,128,900
Assessment and Care Management	12,902,400	12,852,950
Family Support Services	3,343,800	2,997,300
Regional Services	2,296,150	2,456,650
Residential Care-Internal Provision	702,150	702,650
	40,244,300	42,568,200
Poverty & Prevention		
Commissioned Services	1,085,500	1,519,000
Domestic Abuse Services	586,500	552,500
Early Help and Family Support	383,400	380,000
Early Years and Play	588,100	499,800
Tackling Poverty Service	911,550	714,200
Young Peoples Services	985,400	794,600
	4,540,450	4,460,100
Total Social Services	124,734,000	128,694,000

Revenue Budget 2021/2022

Education

	ORIGINAL BUDGET 2020/2021 £	ORIGINAL BUDGET 2021/2022 £
Delegated Schools		
School Cost Centres	160,452,000	167,304,000
	160,452,000	167,304,000
Director of Education		
Mgt & Admin Effectiveness	144,000	145,400
Schools At Risk	109,100	109,100
	253,100	254,500
Head of Achievement & Partnership Service		
Education Improvement Service	1,170,600	1,043,700
Management Systems Unit	218,500	310,500
Welsh Service	0	0
	1,389,100	1,354,200
Head of Vulnerable Learner Service		
Behaviour, Learning Support & EOTAS	6,344,300	6,236,300
Cleaning Services	101,800	135,800
Ethnic Minority Achievement Unit	0	0
Miscellaneous Grants	103,800	103,800
Psychology Service	664,400	664,400
Recoupment/Out of County	885,000	885,000
School And Governor Unit	351,700	342,700
School Meals	708,400	968,400
SEN Statementing & Support	4,954,900	5,312,100
STF Additional Hours	1,039,400	1,041,900
Swansea Music Service	13,000	0
Transport	8,085,200	8,370,200
Welfare Service	518,300	518,200
	23,770,200	24,578,800

Revenue Budget 2021/2022

Education

	ORIGINAL BUDGET 2020/2021 £	ORIGINAL BUDGET 2021/2022 £
Head of Education Planning & Resources		
Additional School Support	36,200	78,200
Broadband & Cloud Technology	284,900	284,900
Capital Planning & Delivery Unit	344,800	344,800
Continuing Education & Pensions	402,300	402,300
Education Improvement Grant for Schools	714,000	714,000
Empty Properties	14,500	16,000
Funding & Information Unit	49,600	99,600
Health & Safety	84,500	84,500
Learning Portal Team	38,500	38,500
Management & Admin-Planning & Resources	105,000	105,000
Non Delegated - Pensions, Insurance & Public Duties	5,913,375	6,387,775
Post 16 Funding	-5,132,945	-5,279,500
Pupil Deprivation Grant	-7,011,930	-8,462,375
Stakeholder Engagement Unit	125,800	125,800
	-4,031,400	-5,060,500
Total Education	181,833,000	188,431,000

Revenue Budget 2021/2022

Place

	ORIGINAL BUDGET 2020/2021 £	ORIGINAL BUDGET 2021/2022 £
Head of Corporate Building		
Property Preventative Maintenance	2,951,200	2,901,200
Building Services Trading	1,102,500	1,174,700
	4,053,700	4,075,900
Head of Corporate Property		
Facilities Management	1,938,801	1,944,101
Strategic Estates Properties	426,100	391,000
	2,364,901	2,335,101
Head of Highways & Transportation		
Car Parking and Enforcement	-3,197,200	-3,186,800
Transportation	5,108,700	5,106,400
Traffic Management	1,203,000	1,206,800
Central Transport	-730,000	-849,200
Engineering	706,900	650,900
Highways	7,355,900	7,460,800
Swansea Marina	-70,200	-195,860
Directorate and Other Costs	-121,000	-120,500
	10,256,100	10,072,540
Head of Waste Cleansing & Parks		
Household Waste Recycling Centres	1,430,500	1,511,134
Parks	5,335,196	5,350,696
Recycling and Residual Waste Collection	7,565,200	6,689,811
Residual Disposal/Tir John	3,574,900	3,864,240
Trade Refuse	-546,000	-469,855
Neighbourhood Working	5,300,004	5,298,404
Directorate and Other Costs	137,800	687,270
	22,797,600	22,931,700
Place Directorate		
Place Directorate	1,012,300	1,099,800
Arena	0	200,000
Temporary COVID Impacts	0	6,000,000
Workstreams	-728,200	-828,200
	284,100	6,471,600

Revenue Budget 2021/2022

Place

	ORIGINAL BUDGET 2020/2021 £	ORIGINAL BUDGET 2021/2022 £
Head of Cultural Services		
Archives	222,700	223,350
Arts	2,191,099	2,177,999
Community Buildings	216,200	282,200
Development and Outreach	257,100	259,400
Libraries	3,045,100	3,059,400
Sport and Recreation	2,688,600	2,831,760
Tourism, Marketing & Events	1,608,100	1,609,900
Directorate and Other Costs	628,200	568,400
	10,857,099	11,012,409
Head of Planning & City Regeneration		
Business Support	353,619	353,619
Property Development	1,279,198	1,279,598
City Centre Management & Indoor Market	-383,500	-375,500
European & External Funding Team	0	0
Major Projects, Design and Conservation	120,700	120,700
Planning Control	459,500	463,000
Planning Policy and Environment	940,500	997,600
Directorate and Other Costs	391,483	393,383
	3,161,500	3,232,400
Head of Housing & Public Health		
Building Regulations	140,400	131,150
Burials and Cremations	-1,011,100	-1,110,400
Food Safety	667,600	662,700
Licensing	-35,500	-41,500
Pollution	653,800	630,000
Public Health	746,700	757,600
Registrars	-33,500	-79,400
Trading Standards	608,600	593,600
Housing Grants to the Independent Sector	40,500	40,500
Housing Renewals and Adaptations	59,800	46,500
Housing Strategy, Advice and Support	1,892,100	1,892,500
Other Housing Services	509,000	511,000
Directorate and Other Costs	292,600	303,100
	4,531,000	4,337,350
Total Place	58,306,000	64,469,000

Agenda Item 11.



Report of the Section 151 Officer

Cabinet - 18 February 2021

Capital Budget & Programme 2020/21- 2026/27

Purpose:	This report proposes a revised capital budget for 2020/21 and a capital budget for 2021/22 - 2026/27
Policy Framework:	Sustainable Swansea – Fit for the Future
Consultation:	Cabinet Members, Corporate Management Team (CMT), Legal, Finance and Access to Services
Recommendation(s):	It is recommended that: 1) The revised capital budget for 2020/21 and a capital budget for 2021/22 – 2026/27 as detailed in appendices A, B C, D, E, F and G is approved.
Report Author:	Ben Smith
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1. Introduction

1.1 This report details:

- Revised capital expenditure and financing proposals for 2020/21
- Capital expenditure and financing proposals for 2021/22 – 2026/27

1.2 Capital spending and funding proposals in relation to the Housing Revenue Account (HRA) are detailed in a separate report to be considered.

1.3 The capital budget proposals are detailed in appendices to this report as follows:

Appendix A Total General Fund Capital Budget Expenditure 2020/21 - 2026/27

Appendix B Total General Fund Financing 2020/21 - 2026/27

Appendix C General Fund Capital Budget Expenditure (excluding C21st School programme and Swansea Central City Deal Schemes) 2020/21 - 2026/27

Appendix D C21st Schools Programme Band A Capital Expenditure and Budget 2012/13 – 2021/22

Appendix E C21st Schools Programme Band B Capital Expenditure and Budget 2017/18 – 2026/27

Appendix F Swansea Central City Deal Capital Expenditure and Budget 2019/20 – 2021/22

Appendix G Material changes to the original 2020/21 budget

1.4 Appendix A, C, D, E and F outline a comprehensive programme of capital investment including:

- A significant continuing programme of IT investment across the Council
- The continued investment in Swansea Schools through the Band B phase of the 21st Century Schools Programme, with a number of builds commenced during 2020-21
- Swansea Bay City Deal schemes, the construction phase for Phase 1 the Arena and design / approved planning / procurement for Phase 2 Digital Village
- A significant programme of capital expenditure to assist the City's economic recovery from the Covid 19 pandemic

1.5 The additional capital investment identified above will attract significant grant funding (21st Century Schools and Swansea Bay City Deal), however the programme will still require material unsupported borrowing to enable completion alongside the use of capital receipts as they are realised. Furthermore some schemes have the potential to provide additional revenue streams of property income, or, subject to agreement, in due course, with Welsh Government, retained elements of non-domestic rates or possibly tax increment financing as further powers devolve to Welsh Government and then on to local government.

1.6 Notwithstanding this scale of ambition, each major scheme will, as is always the case, be considered on the overall merits of each business case, both in capital cost, and revenue income streams where appropriate, and unsupported borrowing will be undertaken on a phased basis within the overall medium/long term envelope of affordability.

Furthermore it has to be recognised that the scale of funding proposed to be injected by this Council, leverages in significant additional sums:

- £98m of Welsh Government funding for Band B schools
- a City Deal, worth, across the region, around £1.3 billion.

This has been an unprecedented year for the Council, maintaining business as usual alongside delivering an already ambitious capital programme whilst managing the impacts of the Covid 19 pandemic. It soon became clear that the Council had a leading role to play in facing the challenges posed by the pandemic in delivering emergency Covid grant payments to local businesses

and carers, whilst leading the procurement and sourcing of vital scarce PPE for the region in the early days of the pandemic.

As part of the Region's response to address projected increased demand on hospital services as a result of the Covid 19 pandemic, Swansea Council was asked by Swansea Bay University Health Board (SBUHB)/ Welsh Government (WG) to deliver a 1,000 bed Surge Hospital on the site of the old Bay Studios in SA1.

The scheme was completed in an exceptionally short timeframe. It was conceived, designed, delivered and operational within 3 months (April – June 2020) by Corporate Building Services in partnership with SBUHB / WG and our partner sub-contractors, Kier and TRJ.

- 1.7 Band A and Band B of the Welsh Government's 21st Century Schools and Colleges programme represent the largest single component of capital investment incorporated within the proposed capital programme. The numerous schemes comprise new school builds and significant asset improvements for both English and Welsh medium Schools throughout Swansea.
- 1.8 The Swansea City & Waterfront Digital District project is one of nine projects comprising the wider City Deal. It has been developed by the Council, in partnership with University of Wales Trinity Saint David (UWTSD). The core aim of the project is to create a strong and vibrant digital city that will be the economic engine of the wider city region. There are 3 main components: a Box Village and Innovation Precinct project (led by UWTSD); a Digital Village, which includes 100,000 sq. ft. of flexible and affordable office accommodation for tech businesses (led by the Council); and a Digital Square and Arena which will deliver a 3,500 capacity Digital Arena and associated developments (also led by the Council). A 5 case business model has been approved by UK and WG, it sets out the project in great detail, including the benefits, costs, and income derived. After an FPR7 report to cabinet the Digital Square construction has been on site for 12 months and has a further 9 months to go subject to the impact of covid-19. The Arena operator is contracted under an agreement for lease. With regard to Digital Village, a planning consent has been granted and contractor procurement has commenced, a cabinet FPR7 report seeking funding to build the scheme is planned for March 2021 with a potential start on site in May 2021.

The Council is seeking a long term partner for the next phases of regeneration for Swansea through the Shaping Swansea procurement process, a competitive dialogue process has commenced with a partner to be selected in September 2021. The partner and the council will then progress the 7 sites as set out in the procurement process.

2. Capital Budget 2020/21-2026/27

- 2.1 Total General Fund Expenditure in the current year is forecast to be £204.457m (see Appendix A) an increase of £89.201m (see Appendix G) compared with the original estimate of £115.256m excluding waste provision.

This increase is due to the following:

- The addition of grant funded and non-grant funded schemes after Council

approved the capital budget in February 2020, together with increases in the cost of schemes following detailed design and planning.

- Reprofiled forecast Cashflow of Swansea Central City Deal Arena scheme
- The net balance of schemes reprofiled from 2019/20 into 2020/21 and schemes reprofiled from 2020/21 into 2021/22.

2.2 The proposed capital programme 2020/21 – 2026/27 and associated financing is set out below in 2.3 for The General Fund Programme, 2.4 for The 21st Century Schools Programme and 2.5 for the Swansea Central City Deal Programme

2.3 The General Fund Programme and Financing 2020/21 -2026/27

2.3.1 The General Fund programme in summary together with detailed schemes is in Appendix C. The attached proposals exclude the Housing Revenue Account capital budget which is detailed in a separate report.

2.3.2 The Capital Budget report considered by Council on 20th February 2020 outlined an unsupported borrowing requirement in the five year forward programme of £178.699m

2.3.3 The updated total Capital programme which includes C21st Schools and Swansea Central City Deal Phase1 Arena highlights a 6 year forward expenditure programme plus 2020-21 of £499.049m (Appendix A) identifying an unsupported borrowing requirement of £180.724m (Appendix B). The capital planning envelope for unsupported borrowing requires significant revenue funding to service the finance and this is set out in both the reports on the revenue budget and the medium term financial plan.

2.3.4 Phased, considered affordable borrowing, within the overall planning envelope will develop over the next 5-7 years and, in the case of the funding, from the City Deal, the next 15 years. Some Major schemes within the General Fund Capital Programme which are partially or fully financed by borrowing are as follows:

- Swansea Central Arena, additional phased development £110.72m for construction phase
- Palace Theatre development £7m total scheme value
- Property investment portfolio £8.3m (borrowing will be financed by future rental income)
- Swansea Vale new car park facility £3.1m (borrowing will be financed by future rental income)
- Capital contingency of £20m to assist the City's economic recovery from the Covid 19 pandemic

2.3.5 Although there is significant accompanying grant funding and City Deal funding for the first two schemes above, there is substantial unsupported borrowing requirement to underwrite these schemes. The detailed financing for the City Deal schemes is shown in Appendix B.

2.4

Schools Programme and Financing 2020/21 -2026/27

- 2.4.1 Band A of the Welsh Government's 21st Century Schools and Colleges Programme has drawn to a close, and Band B officially commenced on the 1 April 2019 .
- 2.4.2 Band A was funded by a 50% contribution from the Welsh Government and a 50% contribution from the council towards a programme Band A total of £51.46m (£51.31m from the programme plus £150k Challenge Cymru funding). Band A completed with the handover of Gorseinon Primary School in August 2020.
- 2.4.3 The increase in cost of the Gorseinon Primary School project was funded in part from savings made through unspent optimism bias on other completed Band A projects, but required an overall increase in the Band A programme envelope of £197k from £51.310m to £51.507m. This resulted in a saving against the Band B programme envelope, which was reduced accordingly by £197k.
- 2.4.4 The Band A total therefore now is £51.657m including the £150k Challenge Cymru funding.
- 2.4.5 Welsh Government approved the Council's Strategic Outline Programme (SOP) for Band B in December 2017; the funding for Band B of the 21st Century Schools and Colleges Programme is being provided through £600m capital and £500m revenue funding for the whole of Wales. It was announced by Welsh Government on the 21 November 2018, that for Band B the grant rate for capital projects is increased to 65%. (The intervention rate for special schools and PRUs is increased to 75%, and the rate for voluntary aided schools remains the same at 85%). However the programme is not affected by this change.
- 2.4.6 The approval in principle of the SOP for Band B does not commit the council to the funding contributions until the final approval of any capital allocation from the Welsh Government which is subject to the submission of further detailed business cases in respect of each specific project, and specific approvals in accordance with Financial Procedure Rules.
- 2.4.7 The Band B programme envelope is now therefore £149.5m (if the potential aided sector scheme is excluded this amounts to £141.3m). Of this total, £126.250m is being sought from traditional capital funding, requiring (after allowance for realisable capital and other receipts) a net local funding requirement of £35.848m from unsupported borrowing. The remaining £23.247m (or £15.032m if the potential aided sector scheme is excluded) is expected to be delivered through the MIM, which would require no local capital funding contribution but incur an annual charge once the accommodation and facilities are completed. An equivalent local share of the capital cost would be £2.856m although the 25% local contribution would apply to the annual revenue charge.

- 2.4.8 The early projects in Band B have made good progress despite the challenges posed by the pandemic. Particular issues include matters such as the capacity of contractors to maintain progress of schemes to timescales with the impact on the availability of staff, the impact on the procurement and supply chains involved for materials, and the limitations of meetings on site.
- 2.4.9 The first project, a new build for Education Other Than At School (EOTAS) at Cockett; is currently on site and construction is due for completion in early 2021.
- 2.4.10 The extension, remodelling and refurbishment of Bishopston Comprehensive School started on site in June 2020 and is due to be completed in autumn 2022. The first phase of that project was the construction of a new modular block that was handed over in December 2020.

The new builds for YGG Tan y lan and YGG Tirdeunaw also started on site in 2020 and both are due to be completed at the end of 2021, ready for occupation by the schools early in 2022. The extension and remodelling project at YG Gwyr also started on site in the summer of 2020 and is on track for completion in December 2021.

Pre-construction phase scoping and feasibility is now in progress for the projects for YGG Bryntawe to provide additional capacity and address condition and suitability issues at Gowerton secondary school.

The planning for the next phase of the programme will now commence so that the final phases of Band B can be brought forward.

There are now only three possible MIM schemes included in the programme since the switch of the special school to capital on the advice of Welsh Government that it was no longer suitable for MIM funding.

2.5 Swansea Central City Deal Programme and Financing

- 2.5.1 The Swansea Central City Deal Phase 1 Arena scheme construction phase was approved at Cabinet on 21 November 2019 at a cost of £134.837m (Appendix F). The detailed outstanding financing for this scheme is shown in Appendix B and spend will be funded from a combination of City Deal grant, WG grants, capital receipts and predominantly unsupported borrowing.
- 2.5.2 The Swansea Central City Deal Phase 2 Digital Village scheme is at contractor procurement stage and as noted in paragraph 1.8, a cabinet FPR7 report seeking funding to build the scheme is planned for March 2021 with a potential start on site in May 2021. The current approved financing for this scheme is shown in Appendix F which is from unsupported borrowing.

2.6 Financing the Capital Programme

- 2.6.1 The financing for the General Fund capital programme identified in 2.3, 2.4 and 2.5 is detailed in Appendix B and requires unsupported borrowing of £180.724m towards forecast expenditure of £499.049m (Appendix A).
- 2.6.2 It should be noted that efforts to increase and maximize grants, contributions and capital receipts in order to minimize borrowing requirements are pursued throughout the year. Included within the programme are a number of schemes which are self-financing. Indeed there is a clear strategy for the Council to maximize external investment in any proposals and to seek to target its own investment into areas which offer a return commensurate with or greater than financing costs in order to minimise the Revenue impact of any additional borrowing requirements. In the absence of such a strategy then it has to be realised that any capital expenditure that leads to an overall net increase in borrowing costs brings with it the potential to impact on an already challenging revenue budget scenario going forward.
- 2.6.3 It is recognized that a forecast capital financing requirement of £180.724m is significant. The revenue implications of this are identified in the revenue budget and medium term financial plan on this agenda. The above programme is affordable and sustainable throughout the lifetime of the medium term financial plan subject to the risks highlighted below.
- 2.6.4 It should be noted that the Council makes an annual budget provision to repay debt through what is known as the Minimum Revenue Provision (MRP). The MRP policy was revised and approved by Council on Dec 20th 2018, mitigating the impact of revenue provision in the earlier years, aligning the repayment of the debt with the lifetime of the asset. It was recognised there would be short term 'savings' which would reverse in later years, therefore the establishments of the capital equalization reserve was approved by Council to mitigate and forward plan for the same. Having taken advantage of the low interest rate and volatility in the market to externalise some of its borrowing requirement in 2018/19, by borrowing £90m, although the overall strategy is to mitigate the impact of interest charges by utilising internal resources as far as possible. However, noting the significant capital financing identified by this report, it is forecast that in line with good Treasury Management practice and being mindful of interest rate movements and Cashflow requirements, it is certain that actual remaining external borrowing shall be averaged in the short/medium term, as the capital programme develops with the associated increase in interest payments. It should be noted that the 1% premium imposed on PWLB borrowing was removed in Nov 2020 with stringent guidance outlining what PWLB borrowing can and cannot be used for. The most economically / operationally advantageous form of borrowing shall be determined by the S151 Officer.

2.6.5 Noting the programmed profile of grant payments in respect of The Swansea Bay City Deal Financing, it has been determined prudent to utilise the already established Capital Equalisation Reserve, with which to mitigate and smooth the timing differences between funding and capital spend during the early years of the programme.

3. Future Schemes

3.1 The Capital programme as outlined in this report reflects known planned expenditure and financing as at the date of the report.

3.2 Future discretionary projects and schemes shall only be incorporated if they are self-financing or the associated financing costs can be supported from the revenue budget affordably and sustainably.

4. Risks

4.1 There are significant risks which may require a future revision of the attached six year capital budget. In particular:

- urgent capital maintenance requirements
- unforeseen costs e.g. failure of retaining walls
- failing to achieve the General Fund capital receipts target
- failing to deliver revenue budget savings as identified in the Revenue Budget Report
- capital financing charges arising from additional unsupported borrowing which cannot be met from existing revenue budgets.
- additional costs arising from any other additions to the Capital programme
- increased borrowing costs

Mitigation in respect of the latter four risks will be achieved by continual review and consideration of individual business cases for the larger schemes.

5. Legal Implications

5.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

6. Prudential Code

6.1 Under the Local Government Act 2003 and subsequent regulations, a local authority is required to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities when setting its budget and must determine and keep under review how much it can afford to borrow.

6.2 A further report on the agenda will detail what is required under the requirement of the Code and set out in detail Prudential Borrowing Indicators for 2018/19 and subsequent years.

7. Equalities Implications

7.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

7.2 Our Equality Impact Assessment process ensures that we have paid due regard to the above. An equality impact assessment screening has been undertaken and it concludes that there are no equality impact implications arising from this report. All future programs and schemes covered within this report will be subject to their own Equality Impact Assessment process.

Background Papers: None

Appendices:

Appendix A - Total General Fund Capital Budget Expenditure 2020/21 - 2026/27

Appendix B - Total General Fund Financing 2020/21 - 2026/27

Appendix C - General Fund Capital Budget Expenditure (excluding C21st School programme and Swansea Central City Deal Schemes) 2020/21 - 2026/27

Appendix D - C21st Schools Programme Band A Capital Expenditure and Budget 2012/13 – 2021/22

Appendix E - C21st Schools Programme Band B Capital Expenditure and Budget 2017/18 – 2026/27

Appendix F - Swansea Central City Deal Capital Expenditure and Budget 2019/20 – 2021/22

Appendix G - Material changes to the original 2020/21 budget

Total General Fund Capital Budget Expenditure 2020/21 - 2026/27

Appendix A

		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total General Fund (Excluding C21st School and Swansea Central City Deal schemes)	App C	101,686	55,595	26,264	18,123	17,139	12,762	12,762	244,331
C21st Schools Band A	App D	2,907	88						2,995
C21st Schools Band B	App E	24,387	18,963	11,533	31,217	33,240	18,908	7,678	145,926
City Deal Swansea Central Phase 1 Arena	App F	74,591	30,044						104,635
City Deal Swansea Central Phase 2 Digital Village	App F	1,162	0						1,162
Total General Fund (including Schools and City Deal schemes)		204,733	104,690	37,797	49,340	50,379	31,670	20,440	499,049
Less waste provision		-276							
Total General Fund (including Schools and City Deal schemes)		204,457	104,690	37,797	49,340	50,379	31,670	20,440	499,049

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
GF Financing (Excluding C21st Schools and Swansea Central City Deal)								
Supported Borrowing								
Welsh Government Supported Borrowing	6,483	6,372	6,372	6,372	6,372	6,372	6,372	44,715
Grants and Contributions								
Welsh Government General Capital Grant	6,501	6,390	6,390	6,390	6,390	6,390	6,390	44,841
Welsh Government specific grants	20,500	5,463	176					26,139
European grants	2,217	450	450					3,117
Other Grants	3,601	2,346		38				5,985
Contributions	21,920	16		37				21,973
Capital Receipts								0
Earmarked Capital receipts	2,846	1,313	1,730					5,889
General Capital receipts	484	6,825	7,113	1,500	1,490			17,412
Revenue and Reserve Contributions (including provision for waste schemes)	5,759	1,261	260	1,036	2,377			10,693
Financing excluding unsupported borrowing	70,311	30,436	22,491	15,373	16,629	12,762	12,762	180,764
Unsupported borrowing requirement	31,375	25,159	3,773	2,750	510	0	0	63,567
GF Financing (Excluding C21st Schools and City Deal)	101,686	55,595	26,264	18,123	17,139	12,762	12,762	244,331

C21st School Band A Financing

21st Century Programme Schemes - grant								0
Unsupported borrowing requirement	2,907	88						2,995
C21st School Band A Financing	2,907	88	0	0	0	0	0	2,995

C21st School Band B Financing

WG Traditional capital grant funding	18,037	8,617	5,801	14,922	15,320	13,103	6,234	82,034
WG Welsh Medium grant	1,558	717	14					2,289
WG Mutual Investment Model financing (including VA school)			1,181	6,989	10,046	943		19,159
CCS Mutual Investment Model financing		250	489	954	2,176	219		4,088
S106 Contributions		159	409	1,007	2,262	293		4,130
Unsupported borrowing requirement	4,792	9,220	3,639	7,345	3,436	4,350	1,444	34,226
C21st School Band B Financing	24,387	18,963	11,533	31,217	33,240	18,908	7,678	145,926

Swansea Central City Deal Schemes Financing**Swansea Central Phase 1 Arena Financing**

Capital receipts		4,900						4,900
City Deal funding (note City Deal funding will be annual for 15 years)	11,035	11,814						22,849
Grants (ATF + ERDF)	2,200							2,200
Unsupported borrowing requirement	61,356	13,330						74,686
Swansea Central Phase 1 Arena Financing	74,591	30,044	0	0	0	0	0	104,635

Swansea Central Phase 2 Digital Village

Unsupported borrowing requirement	1,162							1,162
Swansea Central City Deal Schemes Financing	75,753	30,044	0	0	0	0	0	105,797

Total General Fund Financing	204,733	104,690	37,797	49,340	50,379	31,670	20,440	499,049
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Total General Fund Unsupported Borrowing Requirement

General Fund Unsupported borrowing requirement	31,375	25,159	3,773	2,750	510	0	0	63,567
C21st School unsupported borrowing requirement Band A	2,907	88	0					2,995
C21st School unsupported borrowing requirement Band B	4,792	9,470	4,128	8,299	5,612	4,569	1,444	38,314
Swansea Central City Deal schemes unsupported borrowing requirement	62,518	13,330	0					75,848
Total GF unsupported borrowing requirement including C21st Schools and Swansea Central City Deal schemes	101,592	48,047	7,901	11,049	6,122	4,569	1,444	180,724

General Fund Capital Budget Expenditure (excluding C21st School programme and Swansea Central City Deal Schemes) 2020/21 - 2026/27

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Directorate								
Resources (see schemes below)	2,656	13,056	6,000	4,000	2,000			27,712
People (see schemes below)	4,653	405						5,058
Place (see schemes below)	94,377	42,134	20,264	14,123	15,139	12,762	12,762	211,561
Total Expenditure	101,686	55,595	26,264	18,123	17,139	12,762	12,762	244,331
Director of Resources								
Digital & Transformation								
Hwb in schools Infrastructure	546							546
Digital Business Strategy	137	113						250
Agile IT - mobile phones		721						721
Agile IT - accessories	18	267						285
Mobile IT - laptops	615	2,618						3,233
ERP System Upgrade	597	114						711
ICT equipment staff reimbursement scheme	400							400
Wifi infrastructure in commercial centres	150							150
Other IT schemes	65	54						119
Capital creditors for 2019-20 paid in 2020-21	128							128
Financial Services								
Corporate Contingency		9,169	6,000	4,000	2,000			21,169
Total for Director of Resources	2,656	13,056	6,000	4,000	2,000			27,712
Director of People								
Education (excluding 21st Century schools programme)								
Primary and secondary school schemes (not within C21st), including flying start schemes	336							336
Flying Start schemes	78							78
VA Schools repair works	229							229
Reducing Infant Class sizes	769	359						1,128
Welsh Medium grant schemes	16	46						62
Poverty & Prevention								

General Fund Capital Budget Expenditure (excluding C21st School programme and Swansea Central City Deal Schemes) 2020/21 - 2026/27

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Borfa Activity Centre	137							137
Other schemes	83							83
Social Services								
Residential home for young people	143							143
Enable scheme (support for independent living)	304							304
Nant-y-felin conversion	107							107
Intermediate Care Fund schemes	2,209							2,209
Social services schemes - response to COVID	158							158
Capital creditors for 2019-20 paid in 2020-21	84							84
Total for Director of People	4,653	405						5,058
Director of Place								
Highways & Transportation								
Active Travel schemes (excluding City Bridge funding)	4,427							4,427
SRIC - Clydach and Gower	900							900
Road Safety/Traffic grant Schemes	879							879
Local Transport Fund schemes	2,730							2,730
LTNF Strategic bus corridor improvements	409							409
Traffic network schemes	108							108
Structural maintenance roads, including carriageway resurfacing, footways and lighting	7,131							7,131
Highways annual allocation		3,468	3,468	3,468	3,468	3,468	3,468	20,808
Highways Infrastructure additional Capital Maintenance (funded by reserves)								
Additional WG grant funding for carriageway resurfacing, footways and safety barriers	1,190							1,190
Highways/Infrastructure additional Capital for carriageways, traffic network and drainage schemes (within commissioning review)		1,400						1,400
Seawall repairs Mumbles programme	427	1,482						1,909
	1,406	811						2,217

General Fund Capital Budget Expenditure (excluding C21st School programme and Swansea Central City Deal Schemes) 2020/21 - 2026/27

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Integrated Transport Unit	313	738						1,051
Slip Bridge Refurbishment			139					139
Pont-y-Lon Bridge		50	656					706
Bascule Bridge	117							117
Other Bridges & retaining Walls	718							718
Drainage and flood alleviation grant schemes	702							702
Marina barrage schemes	122							122
Bailing plant and recycling centre roads								
Park & Ride extension and salt storage								
Oxford Street trip upgrade	500							500
St Helen's Road upgrade		300						300
Local Sustainable Transport COVID Response	600							600
Graig road emergency repairs	550							550
Other highways schemes	733							733
Waste Management								
Tir John works	276	174	260	1,036	2,377			4,123
Absorbent waste schemes	932							932
Facility to collect and recycle electrical waste	184							184
Wood Re-use & Recycling Centre	99							99
Other waste schemes	101							101
Culture,Sport,Leisure & Tourism								
Leisure Centre improvements (Freedom Leisure schemes)	453	589						1,042
Heol Las Park play area and cricket club changing area								
3G Pitch Cefn Hengoed Comprehensive School		392	100					492
3G Pitch expansion (match funding for 2 x 3G pitches)			250	250				500
Library Service	45							45
Glynn Vivian Art Gallery				75				75
Other Culture, Sport, Leisure & Tourism schemes	158	93						251
Economic Regeneration & Planning (Excluding Swansea Central City Deal schemes)								
Kingsway Urban Parkway	3,439							3,439
Civic Centre Relocation								

General Fund Capital Budget Expenditure (excluding C21st School programme and Swansea Central City Deal Schemes) 2020/21 - 2026/27

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Wind Street improvements	500	2,380						2,880
Skyline	87							87
Hafod/Morfa Copper Powerhouse	2,283	2,932						5,215
City Centre acquisition and development	1,867	2,359	2,360					6,586
Swansea Vale infrastructure/studies	206	563	1,591					2,360
Palace Theatre Redevelopment	698	5,518	206					6,422
TRI programme - Property Enhancement Development Grant	519							519
TRI programme - Sustainable Living Grant	421							421
TRI programme - Strategic	200							200
Green Infrastructure	785							785
Green Infrastructure & Nature Recovery	171							171
Economic Stimulus	2,400							2,400
Swansea Market Improvements	439							439
Other regeneration schemes	174							174
Housing GF								
DFG's -1996 Act	2,500	1,870						4,370
Housing GF annual allocation		5,200	5,200	5,200	5,200	5,200	5,200	31,200
Sandfields Renewal Area	35	336						371
Property Appreciation Loans (CCS funded)	180	416						596
Grant For Nominations	14	47						61
Comfort Safety & Security Grants (CSS)	38							38
Mini Adaptation Grants (MAG)	370							370
Ty Tom Jones scheme for Homeless people	73							73
Valleys Task Force Empty Properties Scheme	400							400
Western Valleys Empty Properties Scheme		520						520
Warm Homes Fund	188	282						470
FLARE IT system replacement	120							120
Corporate Building								
Bay Studios hospital	20,904							20,904
Capital Maintenance allocated including Schools additional capital maintenance	9,274							9,274
Social Services premises backlog maintenance		1,309						1,309

General Fund Capital Budget Expenditure (excluding C21st School programme and Swansea Central City Deal Schemes) 2020/21 - 2026/27

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Maintenance unallocated		4,094	4,094	4,094	4,094	4,094	4,094	24,564
Additional Schools Capital Maintenance								
Corporate Property								
Accommodation Strategy (agile working)	300	1,061						1,361
Guildhall Roofing works	101							101
Relocate Gorseinon DHO	108							108
Depot Review - Pipehouse Wharf Replacement	1,668							1,668
Property Investment Portfolio (the funding for this will be repaid by future rental income)	8,301							8,301
Energy Efficiency schemes funded by WG Salix loan	1,340							1,340
Public Sector Hub planning and design	1,485							1,485
Swansea Vale new car park facility	500	2,600						3,100
Tir John Solar Panel Farm	20	400	1,940					2,360
Capital Community Schemes for Play	250	750						1,000
Capital Community Schemes for Highways	1,000							1,000
Capital creditors for 2019-20 paid in 2020-21	4,809							4,809
Total for Director of Place	94,377	42,134	20,264	14,123	15,139	12,762	12,762	211,561
Totals	101,686	55,595	26,264	18,123	17,139	12,762	12,762	244,331

C21st Schools Programme Capital Expenditure and Budget 2012/13 - 2021/22

Appendix D

	to 2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	Actual spend	Actual spend	Actual spend	Actual spend	Actual spend	Actual spend	Actual spend	Actual spend	Forecast spend	Forecast spend	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Band A											
Expenditure											
Morrison Comprehensive Refurbishment	5,445	11,916	4,271	128	2	164					21,926
21st Century Schools Programme (Band A)											
Phase 1											
Burlais Primary new school build	17	453	5,941	1,266	94	185	10		1		7,967
Gowerton Primary new school build	16	446	2,193	3,833	136	2			10		6,636
YGG Lon Las rebuild and remodel		66	108	2,672	6,202	357	130	277	32		9,844
Glyncollen and Newton Primary improvements		393	1,007								1,400
Phase 2											0
Pentrehafod remodelling				52	3,704	6,951	3,418	539	405		15,069
Gorseinon Primary new school build			51	332	11	30	6	3,887	2,459	88	6,864
Pentre'r Graig Primary improvements			97	1,117	1,429	21					2,664
YG Gwyr improvements			50	109	766	246	6				1,177
Total Expenditure	5,478	13,274	13,718	9,509	12,344	7,956	3,570	4,703	2,907	88	73,547

C21st Schools Programme Capital Expenditure and Budget 2017/18 - 2026/27

Appendix E

Band B	Progress	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total	
		Actual spend	Actual spend	Actual spend	Forecast spend	Forecast spend	Forecast spend	Forecast spend	Forecast spend	Forecast spend	Forecast spend		
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure													
21st Century Schools Programme (Band B)													
Education other than at School new premises	Capital	On site - completion due early 21	155	607	3,777	4,552	551					9,642	
YGG Tan-y-Lan	Capital	On site	2	177	219	4,141	5,113	249				9,901	
YG Gwyr	Capital	On site		112	187	3,407	2,826	186				6,718	
YG Bryntawe	Capital	Concept design stage			14	150	304	2,557	5,115	252		8,392	
YGG Tirdeunaw	Capital	On site		165	141	6,855	4,207	183				11,551	
Bishopston Comprehensive School	Capital	On site	35	100	448	5,232	5,423	2,506	64			13,808	
Gowerton Comprehensive School	Capital	Concept design stage			15	50	239	2,807	5,352	262		8,725	
English Medium Secondary School	Capital	Pending					50	225	7,520	120		7,915	
English Medium Primary Scheme 2	Capital	Pending						150	435	3,271	495	4,351	
Lougher / Kingsbridge new build welsh primary	Capital	Pending						275	3,690	5,761	400	10,126	
Lougher / Kingsbridge remodelled English primary	Capital	Pending						150	598	1,533	18	2,299	
Special Schools	Capital	Pending						575	500	9,819	16,833	7,678	35,405
Additional Welsh Medium Primary places	MIM	Pending						596	3,417	446		4,459	
English Medium Primary Scheme 1	MIM	Pending						253	1,079	8,184	1,057	10,573	
St Joseph's Cathedral School	(VA)	Pending					250	821	3,447	3,592	105	8,215	
Total Expenditure			192	1,161	4,801	24,387	18,963	11,533	31,217	33,240	18,908	7,678	152,080

Swansea Central City Deal Programme Capital Expenditure and Budget 2019/20 - 2021/22

Appendix F

	spend to 2018/19	2019/20	2020/21	2021/22	Total
	Actual spend £'000	Actual spend £'000	Forecast spend £'000	Forecast spend £'000	£'000
Swansea Central Phase 1 Arena Expenditure					
RIBA stage 4, enabling works and fees	9,413	9,499			18,912
Construction including main contract and internal staff		11,290	74,591	30,044	115,925
Total Expenditure	9,413	20,789	74,591	30,044	134,837
Swansea Central Phase 2 Digital Village Expenditure	£'000	£'000	£'000	£'000	£'000
Design & Planning	343	903	1,162		2,408
					0
Total Expenditure	343	903	1,162	0	2,408

Scheme	Source of Funding	2020/21 Change £'000
Director of Resources		
Digital & Transformation		
HWB in Schools Infrastructure	Grant	561
Director of People		
Education Planning & Resources		
Flying Start Capital Grant 20/21	Grant	78
Reducing Infant Class Sizes - Hendrefoilan Primary	Grant	519
Reducing Infant Class Sizes - YGG Bryniago	Grant	219
YGG Pontybrennin - Bringing 2 classrooms back into use	Contribution S106	74
Social Services		
ENABLE Independent Living Grant	Grant	304
Refurbishment Work 70-72 Alexandra Road, Gorseinon (COVID)	Grant/Revenue	80
Purchase of additional vehicles to support the Community Equipment Store	Grant/Revenue	245
Early Help Family Support Locality Hubs	Grant	585
Director of Place		
Highways & Transportation		
WG Highways Refurbishment Grant 20/21	Grant	1,190
Local Transport Fund 20/21	Grant	482
Local Transport Network Fund 20/21	Grant	400
Road Safety 20/21	Grant	879
Safer Routes In Communities 20/21	Grant	508
Active Travel Fund 20/21	Grant	5,117
Local Sustainable Transport Covid Response 20/21	Grant	600
Purchase of new equipment for the new CTU site	Revenue	313
Graig Road Emergency Repair Work	Borrowing	550
MOVA Upgrade Fabian Way/Langdon Road	Contribution S106	34
Local Transport Fund Baldwins Bridge Interchange	Grant	1,610
Additional Carriageway Resurfacing	Reserves	2,000
Waste Management		
WG Absorbent Hygiene Products Waste Programme	Grant	603
Facility to Collect and Recycle Electrical Waste Items	Contribution/Revenue	154
Purchase of Graffiti Van and Pressure Washers	Revenue	75
Wood Re-use & Re-cycling Centre	Grant	99
Economic Regeneration & Planning		
Swansea Market Improvements	Grant	184
WG TRI Prog Strategic Project	Grant	200
WG TRI Prog - Strategic Project Wind Street Re-imagined	Grant	428
WG Transforming Towns Green Infrastructure Project	Grant	785
Green Infrastructure and Nature Recovery	Grant	171
City Centre acquisition	Borrowing	1,867
Housing & Public Protection		
Re-commissioning of Ty Tom Jones (Foyer) to support homeless vulnerable people during the COVID 19 Crisis	Grant	73
Warm Homes - first time central heating in private sector homes	Grant	188
Valleys Task Force Empty Property Grant Scheme	Grant	260
Corporate Building		
Additional Capital Maintenance - For Schools	Grant/Borrowing	3,125
Bay Studios Nightingale Hospital (COVID 19)	Contribution SBUHB	20,904
Corporate Property		
Refurb of Gorseinon Library to accommodate Gorseinon DHO	Revenue	109
Public Sector Hub Stage 1	Revenue	485
Capital Community Play Schemes	Borrowing	250
Tir John Solar Power Farm	Borrowing	20
Property Investment Portfolio Acquisitions	Borrowing	4,937
Reprofiled Spending into 2020-21 - All Services (mainly for Swansea Central Phase 1 Arena)	Various	37,936
TOTAL MATERIAL CHANGES		89,201

Agenda Item 12.



Report of the Section 151 Officer

Cabinet – 18 February 2021

Housing Revenue Account (HRA) - Revenue Budget 2021/22

Purpose:	This report proposes a Revenue Budget for 21/22 and a rent increase for properties within the HRA
Policy Framework:	None.
Consultation:	Cabinet Members, Finance, & Legal
Recommendation(s):	It is recommended that the following budget proposals be recommended to Council for approval: <ol style="list-style-type: none">1) Rents to be increased in line with the new Welsh Government policy as detailed in section 3;2) Fees, charges and allowances are approved as outlined in section 4;3) The revenue budget proposals as detailed in section 4.
Report Authors:	Mark Wade / Ben Smith
Finance Officer:	Aimee Dyer
Legal Officer:	Debbie Smith
Access to Services Officer:	Catherine Window

1. Introduction

1.1 The setting of the revenue budget has to take account of the following issues and factors:-

- the requirement to achieve and maintain the Welsh Housing Quality Standard (WHQS);
- the funding requirements of the More Homes Programme;
- future income and expenditure trends;
- changes to the Welsh Governments rents policy;
- the affordability of rent increases;
- cost efficiencies and value for money

- 1.2 The proposals in this report are based on the objective of maximising the resources available for investment in the housing stock to meet and maintain the WHQS and to build affordable housing in line with the More Homes Programme whilst considering the affordability of rents and other service charges for tenants.

2. Projected Revenue Outturn 2020/21

- 2.1 The Covid situation has had a considerable impact on the HRA revenue budget in 2020/21. The revenue repairs budget is forecast to be significantly underspent by £1m due to Covid restrictions on entering properties. The crisis has also impacted the delivery of the HRA Capital Programme with commensurate reduction in spend and revenue financing costs. It is forecast that financing costs could be reduced by around £0.55m. There are also underspends on transport and employees of £0.17m.
- 2.2 Whilst income collection rates have not been significantly affected, the economic impact of the crisis continues and rent income is being closely monitored.

3. Rent Income

- 3.1 The Welsh Government have made changes to their policy for setting social housing rents. In December 2019 the Minister for Housing and Local Government set out the policy for the five year period from April 2020. The new policy sets a maximum annual increase in rental income of Consumer Price Index plus 1%.
- 3.2 An intrinsic part of the new five year policy is that all social landlords will be expected to ensure that rents and service charges remain affordable for current and future tenants and carry out an assessment of cost efficiencies and value for money.
- 3.3 The proposed rent increase has taken into account the affordability of rents for tenants. The following factors have been examined;
- Based on the most up to date information available, the current average weekly rent compares favourably with other Welsh social landlords ranking 26th highest out of 49.
 - The current average rent is significantly lower than the average private sector. The latest available figure for the average private sector rent in Swansea is £136.54 per week.
 - A significant number of tenants are in receipt of Housing Benefit or Universal Credit. These benefits will be increased to cover the proposed rent increase.
 - The latest tenants survey carried out in August 2019 found that 84.8% of tenants were satisfied that their rent provided value for money.
- 3.4 Under the Welsh Government's new rents policy the maximum rent increase allowed for 2021/22 would be 1.5%. This would equate to an

average increase of £1.47 per week and an average weekly rent of £99.64 (based on 50 weeks).

4. Revenue Budget Proposals 2021/22

4.1 Overview

4.1.1 In line with the requirements of the Welsh Government's Rents Policy, budgets have been examined and where possible savings have been identified.

4.1.2 A detailed analysis of office running costs budgets has been undertaken linked to the outcome of the Housing Commissioning Review and budget efficiency savings of £26k have been identified.

4.1.3 The main budget increases from 2020/21 are an increase in the revenue contribution to capital of £1m required to fund investment to complete the Welsh Housing Quality Standard and for the More Homes Programme. An increase in Insurance costs of £82k largely as a result of an increase in the budget for disrepair claims and an increase in the costs of insuring High Rise blocks. In addition, an inflationary increase in revenue repairs of £70k, an increase in the provision for bad debt of £29k due to the impact of Universal Credit and an increase in IT licence fee costs of £26k to fund the Housing Digital Portal.

4.1.4 The main changes to funding/income are an increase in rent and other income of £1.12m arising from the proposed rent increases and £0.02m from increases in other charges including charges for furnished tenancies and some sheltered service charges.

4.1.5 The main changes from the 2020/21 budget are shown in the following table:-

Item	£000
Increase in Revenue Contribution to Capital	1,000
Increase in insurance costs	82
Increase in Revenue Repairs Budget	70
Increase in the use of reserves	48
Increase in the provision for bad debts	30
Increase in IT costs	27
Reduction in Finance Charges	-109
Reduction in office running costs	-26
Additional income including 1.5% rent increase and increases in other charges	-1,123

4.1.6 There is a projected surplus on the HRA next year of £27.5m. This surplus will contribute towards the capital programme of £59.08m in 2021/22. This investment is needed to complete work to meet the WHQS and for the More Homes Programme.

4.2 Inflation

No provision has been included in the budget for an average annual pay increase other than an increase of £250 for staff on spinal point 15 and

below. Other budgets, in particular repairs and maintenance and utility costs have been based on the latest prices.

4.3 *Capital Financing Charges*

Capital financing charges will reduce in 2021/22 as a result of lower borrowing costs and lower than anticipated borrowing brought forward.

4.4 *Fees, Charges and Allowances*

General fees, charges and allowances are to be increased either in line with the agreed rent increase of 1.5% or with CPI.

4.5 *Contributions to the Capital Programme*

The additional income enables a contribution of £27.5m to the capital programme.

5. Risks and Uncertainties

- 5.1 The main risk and uncertainty for next year is the ongoing impact of the Covid pandemic with a potential increase in the number of tenants moving onto benefits such as of universal credit which could have an impact on levels of income collection. In addition, there are other economic uncertainties as a result the impact of BREXIT which could impact on inflation and interest rates.

6. Reserves

- 6.1 The HRA predicted balance at the start of the year will be £5.53m. This is considered to be in line with the minimum level of reserves which is considered prudent and therefore reserves will not be used to finance capital expenditure in 2021/22. The reserves position is detailed in Table B.

7. Equality and Engagement Implications

- 7.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

- 7.2 The proposed HRA budget has been subject to the application of the corporate Equality Impact Assessment (EIA) process throughout the Budget setting process. It is essential where service levels are affected by changes to the Revenue Budgets (including savings options) that the EIA process (alongside consultation and engagement as appropriate) is

applied to ensure due regard is paid to the potential equality impacts of any proposals prior to decision making.

- 7.3 An EIA screening form has been completed and reviewed. The agreed outcome was that a full EIA report is not required at this time. Proposals for changing levels of funding in specific areas have been subject to a screening process. Service managers have considered the implications of proposed budgetary decisions and believe that the proposed budget protects the most vulnerable and will not disproportionately impact on protected groups. Tenants will need to be notified of the proposed increase in accordance with the provisions of section 102 of the Housing Act 1985.

8. Legal Implications

- 8.1 Tenants will need to be notified of the proposed increase in accordance with the provisions of section 102 of the Housing Act 1985. Section 102 b) states that variation of the Rent shall be carried out in accordance with the provisions of the Tenancy Agreement. Section 2.6 of the Council's Tenancy Agreement states that Tenants must be given 4 weeks notice before any Rent change.

Background Papers: None

Appendices:

- Appendix 1 - Table A: Summarised HRA 2020/21 to 2021/22
 - Table B: Movement in Balances 2020 to 2021/22
- Appendix 2 – Equality Impact Assessment Screening Form

Table A: Summarised HRA 2020/21 to 2021/22

Classification	Budget 2020/21	Budget 2021/22
	£'000	£'000
<u>Expenditure</u>		
Management and Maintenance	31,871	32,059
Capital Charges	10,508	10,399
Revenue Funding for capital schemes	26,457	27,457
Increase in Balances		48
Total Expenditure	68,836	69,963
<u>Income</u>		
Rents and other income	68,494	69,617
Affordable Housing Grant	346	346
Total Income	68,836	69,963

Table B: Movement in Balances 2020/21 to 2021/22

Description	£000's
Actual balance at 1 st April 2020	-5,341
Budgeted use 20/21	0
Budgeted balance 31st March 2021	-5,341
Forecast change 2020/21	-191
Forecast balance 31st March 2021	-5,532
Budgeted change 2021/22	-48
Forecast balance 31st March 2022	-5,580

Equality Impact Assessment Screening Form – Appendix 2

Please ensure that you refer to the Screening Form Guidance while completing this form. If you would like further guidance please contact the Access to Services team (see guidance for details).

Section 1

Which service area and directorate are you from?

Service Area: Housing and Public Health

Directorate: Place

Q1(a) WHAT ARE YOU SCREENING FOR RELEVANCE?

Service/ Function	Policy/ Procedure	Project	Strategy	Plan	Proposal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(b) Please name and describe here:

This report proposes a Revenue Budget for 2021/22 and a rent increase in line with Welsh Government rent policy for properties within the HRA. The proposed rent increase has taken into account the affordability of rents for tenants. The following factors have been examined;

- The current average weekly rent compares favourably with other Welsh social landlords ranking 26th out of 49.
- The current average rent is significantly lower than the average private sector. The average private sector rent in Swansea is £136.54 per week.
- A significant number of tenants are in receipt of Housing Benefit or Universal Credit. These benefits will be increased to cover the proposed rent increase so tenants in receipt of these benefits will not be worse off.
- The tenants survey carried out in August 2019 found that 84.8% of tenants were satisfied that their rent provided value for money.

Q2(a) WHAT DOES Q1a RELATE TO?

Direct front line
service delivery

(H)

Indirect front line
service delivery

(M)

Indirect back room
service delivery

(L)

(b) DO YOUR CUSTOMERS/CLIENTS ACCESS THIS...?

Because they
need to

(H)

Because they
want to

(M)

Because it is
automatically provided to
everyone in Swansea

(M)

On an internal
basis
i.e. Staff

(L)

Q3 WHAT IS THE POTENTIAL IMPACT ON THE FOLLOWING...

	High Impact (H)	Medium Impact (M)	Low Impact (L)	Don't know (H)
Children/young people (0-18) →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Older people (50+) →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Any other age group →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race (including refugees) →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Asylum seekers →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sex →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Welsh Language →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers) →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community cohesion →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Q4 WHAT ENGAGEMENT / CONSULTATION / CO-PRODUCTIVE APPROACHES WILL YOU UNDERTAKE?

Please provide details below – either of your planned activities or your reasons for not undertaking engagement

The setting of the revenue budget has to take account of the following issues and factors:-

- the requirement to achieve the Welsh Housing Quality Standard (WHQS);
- the funding requirements of the More Homes Programme;
- future income and expenditure trends;
- increases in rent in line with the new Welsh Government rent policy;
- the effect on tenants of rent increases.
- cost efficiencies and value for money

The proposals in this report are based on the objective of maximising the resources available for investment in the housing stock to make progress in achieving the WHQS and to build affordable housing in line with the More Homes Programme. Tenants will need to be notified of the proposed increase in accordance with the provisions of section 102 of the Housing Act 1985. Section 102 b) states that variation of the Rent shall be carried out in accordance with the provisions of the Tenancy Agreement. Section 2.6 of the Council's Tenancy Agreement states that Tenants must be given 4 weeks notice before any rent change.

Q5(a) HOW VISIBLE IS THIS INITIATIVE TO THE GENERAL PUBLIC?

High visibility
 (H)

Medium visibility
 (M)

Low visibility
 (L)

(b) WHAT IS THE POTENTIAL RISK TO THE COUNCIL'S REPUTATION?
(Consider the following impacts – legal, financial, political, media, public perception etc...)

High risk
 (H)

Medium risk
 (M)

Low risk
 (L)

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes

No

If yes, please provide details below
Building Services, Legal, Finance

Q7 HOW DID YOU SCORE?

Please tick the relevant box

MOSTLY H and/or M → HIGH PRIORITY → EIA to be completed
Please go to Section 2

MOSTLY L → LOW PRIORITY / NOT RELEVANT → Do not complete EIA
Please go to Q8 followed by Section 2

Q8 If you determine that this initiative is not relevant for an EIA report, you must provide a full explanation here. Please ensure that you cover all of the relevant protected groups.

The proposed HRA budget has been subject to the application of the corporate Equality Impact Assessment (EIA) process throughout the Budget setting process. It is essential where service levels are affected by changes to the Revenue Budgets (including savings options) that the EIA process (alongside consultation and engagement as appropriate) is applied to ensure due regard is paid to the potential equality impacts of any proposals prior to decision making.

An EIA screening form has been completed and reviewed. The agreed outcome was that a full EIA report is not required at this time. Proposals for changing levels of funding in specific areas have been subject to a screening process. Service managers have considered the implications of proposed budgetary decisions and believe that the proposed budget protects the most vulnerable and will not disproportionately impact on protected groups. Tenants will need to be notified of the proposed increase in accordance with the provisions of section 102 of the Housing Act 1985.

Section 2

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email – no electronic signatures or paper copies are needed.

Screening completed by:	
Name:	Paul Lilley
Job title:	Housing Finance and IT Coordinator
Date:	22/01/2021
Approval by Head of Service:	
Name:	Mark Wade
Position:	Head of Housing and Public Health
Date:	26/01/2021

Please return the completed form to accesstoservices@swansea.gov.uk

Agenda Item 13.



Report of the Section 151 Officer & the Director of Place

Cabinet – 18 February 2021

Housing Revenue Account – Capital Budget & Programme 2020/21 – 2024/25

Purpose:	This report proposes a revised capital budget for 2020/21 and a capital budget for 2021/22 – 2024/25
Policy Framework:	None
Consultation:	Cabinet Members, Legal, Finance & Access to Services
Recommendation(s):	It is recommended that: 1) The transfers between schemes and the revised budgets for schemes in 2020/21 are approved. 2) The budget proposals for 2021/22 – 2024/25 are approved. 3) That, where individual schemes in Appendix B are programmed over the 4 year period described in this report, then these are committed and approved and that their financial implications for funding over 4 years are approved. 4) WHQS compliance levels and deadline extension are noted.
Report Authors:	Ben Smith / Mark Wade
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1.0 Introduction

1.1. This report details:

- Revised Housing Revenue Account (HRA) capital expenditure and financing proposals in 2020/21
- HRA Capital expenditure and financing proposals in 2021/22 – 2024/25

- 1.2 The budget proposals are further detailed in the appendices to this report as follows:
- Appendix A: Summary of the revised budget for 2020/21 and a budget for 2021/22 – 2024/25
 - Appendix B: Detailed breakdown of the revised budget for 2020/21 and a budget for 2021/22 – 2024/25
 - Appendix C: Welsh Housing Quality Standard (WHQS) and More Homes scheme descriptions

2.0 Capital Budget

- 2.1 The revised programme for the current year is £44.04m i.e. an original budget of £52.6m plus carry-forward from 2019/20 of £1.55m, additional More Homes Schemes of £4.06m less slippage into 2021/22 of £14.13m and other budget adjustments of £0.04m.
- 2.2 Slippage from 2020/21 into 2021/22 has occurred due to the impact of Covid 19 and the resulting lock down which halted many work streams in the early part of the financial year. Once restrictions were eased, improvement schemes resumed, though in a limited capacity and are yet to fully return to pre-Covid 19 levels of output. Programmes improving the interior of homes such as electrical rewiring and kitchen and bathrooms have been particularly affected because safe methods of working has impacted productivity.
- 2.3 The revised programme for 2020/21 includes additional More Homes Schemes and some More Homes schemes which have been brought forward from future years. The impact of the pandemic on the homeless meant that in June 2020 the Welsh Government (WG) issued new guidance to local authorities setting out a requirement to produce “Phase 2 Transition Plans”. The fundamental aim of the Transition Plans was to ensure homeless households were brought into emergency temporary accommodation during the pandemic and were supported into long-term self-contained accommodation. In October 2020, Cabinet approved a report which outlined the successful bid for Phase 2 funding. In addition, the Council has been awarded Intermediate Care Fund (ICF) grant funding to acquire additional units of accommodation. Provision has also been made in the More Homes budget to allow for acquisition of sites from the Council’s General Fund to the Housing Revenue Account to be developed directly or as part of a joint venture or partnership arrangement.
- 2.4 Projects unable to fully complete in 2020/21 will be completed within the 2021/22 financial year. The programme for 2021/22 has been developed to ensure existing 2020/21 commitments are met and new 2021/22 work-streams are delivered. Transfers and changes to the 2020/21 budget are reflected and detailed in appendix B.
- 2.5 The proposed four year capital programme and the priorities of the various schemes have been developed in line with the HRA Business Plan and designed to achieve the Council’s strategic aims of meeting and maintaining the Welsh Housing Quality Standard and increasing the supply of council housing.

3.0 Welsh Housing Quality Standard (WHQS)

- 3.1 The 4 year capital investment programme will ensure the Council reaches WHQS Compliance during 2021 and enters its Maintenance Phase after 2022, in accordance with Welsh Government's guidelines. The delivery of WHQS Compliance programme in 2020 has been affected by the Covid 19 pandemic and the revised programme set out in this report has been developed to accommodate new safe ways of working when delivering improvements to Council homes.
- 3.2 The deadline for meeting the Welsh Housing Quality Standard had originally been set as 31st December 2020. The Council and Welsh Government have worked closely to understand how the delivery of WHQS programmes have been impacted by Covid 19 in 2020/21. Following a written request by the Council, the Welsh Government's minister for Housing and Local Government confirmed Swansea will receive an extension in time of 12 months and the new deadline set to reach the standard as 31st of December 2021. Therefore, the budget for 2021/22 will be the final stage in a 16-year investment programme that will ensure the achievement of the Compliance element of WHQS.
- 3.4 Schemes detailed in Appendix C will result in homes reaching the following key components of the Welsh Housing Quality Standard:

In a Good State of Repair

Dwellings must be structurally stable; free from damp and disrepair with key building components being in good condition.

Safe and Secure

Dwellings should be free from risks that could cause serious harm and should be secure in key areas of the home. Heating and electrical systems to be up to date and safe; doors and windows to provide good levels of security and fire safety measures to be well designed and in good condition.

Adequately Heated, Fuel Efficient and Well Insulated

Dwellings must be capable of being heated adequately by ensuring heating systems are fuel efficient and properties well insulated.

Contain Up to Date Kitchens and Bathrooms

Kitchen and bathroom facilities are to be relatively modern and in good condition; sufficient to meet the needs of the household and well laid out to prevent accidents.

Located in Attractive and Safe Environments

Homes should be located in environments that residents can relate to and in which they are proud to live. Improvements will be required to ensure areas within the curtilage of properties are safe and communal areas and the wider shared environment are safe and attractive.

Suit the Specific Requirements of the Household

The requirement is that homes meet the needs of their occupants ensuring necessary facilities such as kitchens and bathrooms are sufficient and where required, adaptations are undertaken for persons with disabilities.

4. WHQS Compliance

- 4.1 Each year the Council submits WHQS compliance figures to the Welsh Government. This requirement was suspended due to Covid 19 and the last publicly available figures were reported to full Council in September 2019. To ensure data on WHQS compliance remains publicly available and to highlight the improvements resulting from the investment into council homes, the following figures provide a record of achievement as of the 31st March 2020.
- 4.2 The number of fully compliant homes reached 7,587 which is an increase of 2,172 from the previous year's total of 5,415 properties.
- 4.3 Compliance for the majority of WHQS components is very high, underlining the investment and improvements made to many council homes. The table below sets out the number of compliant properties across ten major areas of the WHQS. Components such as kitchens, bathrooms and gardens which have slightly lower number of compliant properties reflect those work streams which started later in the programme but which are scheduled to complete by the deadline:

WHQS Element	Properties Fully Compliant	% of Fully Compliant Properties
Roofing	13,246	98%
Windows	13,523	100%
Doors	13,524	100%
Kitchens	11,521	85%
Bathrooms	10,375	77%
Heating Systems	11,325	84%
Energy Rating	13,468	99%
Electrical Systems	13,439	99%
Smoke Alarms	13,511	100%
Gardens	8,820	65%

- 4.4 Based on current compliance levels and work programmes in place, it is expected WHQS compliance in line with Welsh Government guidance will be met by the revised deadline.

5. Decarbonisation and Energy Efficiency

- 5.1 The Welsh Government aims to revise the WHQS once the December 2021 compliance deadline has elapsed. As part of the revised WHQS maintenance phase, it is expected energy efficiency requirements will be increased to bring these into line with the Welsh Government's Decarbonisation agenda for social housing. The Better Homes, Better Wales, Better World report sets out a number of recommendations and has an overall objective to reduce carbon emissions in social housing by 95% by 2030. The findings of the report have been accepted in principle by the Housing Minister. Work is currently ongoing to determine the likely technical requirements and financial implications and to assist this process a small number of planned refurbishment schemes will introduce renewable technologies into the specification; the aim being that homes will be cheaper to run for tenants and generate less carbon dioxide.

6.0 More Homes

6.1 The More Homes Strategy for providing new Council housing has been endorsed by Council. Indicative expenditure of £56.2m over 4 years up to 2024/25 for taking forward the strategy has been included in the programme. Cabinet has approved a target of 1,000 new council homes from 2021-2031, and this 4 year programme will enable the construction of around 460 new council homes. This will also include the acquisition of properties and land to develop for council and affordable housing.

7.0 Financing of HRA Capital Budget 2020/21-2024/25

7.1 The attached capital budget proposals will be funded through a combination of Welsh Government (WG) contribution via its Major Repair Allowance (MRA) grant, revenue contributions from the HRA, grants to support new build and borrowing. Details are set out in Appendix A.

7.2 The funding of the attached capital budget proposals requires additional borrowing of £94.8m for the period between 2021/22 and 2024/25. Total forecast of outstanding HRA borrowing at 31 March 2025 is £242.2m.

8.0 Risks

8.1 The risks to the 4 year programme are similar to those set out in the HRA Revenue report. In particular, the level of Major Repair Allowance grant, future rent increases (which are determined by WG) and the effect of Welfare Reform on levels of income which support capital funding.

9.0 Equality and Engagement Implications

9.1 Tenants and leaseholders have been engaged as part of the Council's Tenant Participation Strategy.

9.2 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

9.3 An Equality Impact Assessment (EIA) screening form has been completed and reviewed. The agreed outcome was that a full EIA report is not required at this time. This will be reviewed as the projects progress. All schemes will be subject to consultation with individuals affected via the Council's Major Works

Agreement and all schemes needing planning consent will be subject to normal planning procedures and the council's EIA process. Any individual requirement will be taken into account during the scheme liaison process.

- 9.3 It is confirmed all new homes are being built to Design Quality Requirement and Lifetime Homes Standards to ensure that accessibility is part and parcel of the design. New Council housing will be allocated in line with the Council's agreed allocations policy.

10.0 Legal Implications

- 10.1 The Authority is under a duty to make arrangements for the proper administration of its financial affairs. Failure to do so will be a breach of that duty.

11.0 Financial Implications

- 11.1 Expenditure is ring fenced to the HRA and will be fully funded by MRA grant from Welsh Government, revenue contributions from the Housing Revenue Account and HRA borrowing. There are no financial implications for the Council General Fund.
- 11.2 Additional borrowing of £94.8m million will be required to fund the WHQS and new build programmes from 2021/22 to and including 2024/25.

Background Papers:

None.

Appendices

Appendix A: Summary of the revised budget for 2020/21 and a budget for 2021/22 – 2024/25.

Appendix B: A detailed breakdown of the revised budget for 2020/21 and a budget for 2021/22 – 2024/25.

Appendix C: Scheme descriptions.

Summary of HRA Capital Budget and Programme 2020/21 to 2024/25							
	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	Total
HRA Subsidy Reform	Original	Revised	Original	Original	Original	Original	
Scheme	£'000s	£'000s	£'000's	£'000's	£'000's	£'000's	£'000's
Good State of Repair							
Wind and Weatherproofing	6,930	6,694	16,918	19,753	20,565	20,944	84,875
System Built Houses and Highrise Blocks	3,409	2,550	2,560	8,600	8,450	6,500	28,660
Roofing	2,885	2,205	1,351	1,200	1,200	1,100	7,056
Windows, Doors and General Repairs	1,321	709	1,033	682	702	472	3,598
Safe and Secure							
Fire Safety	2,375	1,047	2,508	1,350	1,250	1,100	7,254
Electrical Improvements	2,124	1,187	2,050	1,380	1,930	2,270	8,817
Passenger Lifts	652	452	1,000	1,600	300	500	3,852
Adequately Heated, Fuel Efficient & Well Insulated							
Heating Systems	1,050	750	1,050	900	950	1,000	4,650
Energy Efficiency and Grant Support	371	41	380	320	420	650	1,811
Contain Up to Date Kitchens and Bathrooms							
Kitchens and Bathrooms	10,571	8,150	5,000	2,000	1,500	1,000	17,650
Located in Attractive and Safe Environments							
Environment - Within the Curtilage	9,906	6,141	11,130	1,330	1,230	1,000	20,831
Estate Based Environment	1,277	900	1,652	1,200	1,800	1,800	7,352
Meeting Requirements of the Household							
Adaptations	2,650	2,120	3,280	2,750	2,750	2,750	13,650
More Homes							
New Build and Acquisitions	8,645	11,100	9,168	15,900	16,950	14,150	67,268
Total	54,166	44,045	59,080	58,965	59,997	55,236	277,323

Financed By:	2020/21 Revised	2021/22 Original	2022/23 Original	2023/24 Original	2024/25 Original	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Major Repair Allowance (MRA)	9,220	9,220	9,220	9,220	9,220	46,100
RCCO	26,800	27,457	25,945	24,477	23,216	127,895
Borrowing	4,300	21,900	23,800	26,300	22,800	99,100
Innovative Housing Grant	1,525	503				2,028
Phase 2 Transitional Funding	1,716					1,716
Intermediate Care Fund (ICF) Grant	484					484
Total	44,045	59,080	58,965	59,997	55,236	277,323

Appendix B

HRA CAPITAL PROGRAMME	2020/21 to 2024/25						
	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	Original	Revised	Original	Original	Original	Original	Original
Scheme / Project	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Good State of Repair							
Wind & Weatherproofing, Blaenymaes	436	671					671
Wind & Weatherproofing, Fforesthall	1,031	1,231	1,300	2,035	1,544	1,686	7,796
Wind & Weatherproofing, Garden City				1,362	1,542		2,904
Wind & Weatherproofing, Talcoppa	989	789	200				989
Wind & Weatherproofing, Birchgrove Road					1,604	2,229	3,833
Wind & Weatherproofing, Pentrechwyth			1,468	1,370			2,838
Wind & Weatherproofing, Trallwn Road Area				1,100			1,100
Wind & Weatherproofing, Gorseinon					1,255	1,352	2,606
Wind & Weatherproofing, Loughor						1,521	1,521
Wind & Weatherproofing, Penyrheol			1,307	1,476	1,706	1,062	5,551
Wind & Weatherproofing, Pontardulais	50					1,425	1,425
Wind & Weatherproofing, Waunarlwydd				1,493	1,597	1,834	4,923
Wind & Weatherproofing, Clase			643	756			1,399
Wind & Weatherproofing, Tirdeaunaw Sheltered Complex		370					370
Wind & Weatherproofing, Clydach Tanycoed Area	1,209	628	2,100				2,728
Wind & Weatherproofing, Clydach Woodside Road Area				900	1,300		2,200
Wind & Weatherproofing, Gwernfadog & Llanllienwen Rd				1,101	1,170		2,271
Wind & Weatherproofing, Garnswllt			850				850
Wind & Weatherproofing, Morryston				1,824			1,824
Wind & Weatherproofing, Llwynceithin & Maes Glas Flats	864	864					864
Wind & Weatherproofing, Penlan & Gendros					1,518	1,787	3,305
Wind & Weatherproofing, Sketty			2,079	1,326	2,108	1,698	7,211
Wind & Weatherproofing, Three Crosses						1,300	1,300

HRA CAPITAL PROGRAMME	2020/21 to 2024/25						
	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	Original	Revised	Original	Original	Original	Original	Original
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Good State of Repair continued.							
Wind & Weatherproofing, Jones & Evans Terrace & Wilkes Row			1,461				1,461
Wind & Weatherproofing, Cwm Road						1,423	1,423
Wind & Weatherproofing, Brondeg					1,419		1,419
Wind & Weatherproofing, Landore			1,169	816			1,985
Wind & Weatherproofing, Tower Gardens	11	1					1
Wind & Weatherproofing, Mayhill & Townhill			2,116	2,198	1,804	2,082	8,200
Wind & Weatherproofing, West Cross	1,500	1,300	200				1,500
Wind & Weatherproofing, West Cross Warwick Place	140	140					140
Wind & Weatherproofing, West Cross – Boarspit			1,976	1,960	1,965	1,511	7,411
Wind & Weatherproofing, Various Locations			50	35	35	35	155
Wind & Weatherproofing, Gower	700	700					700
Airey & Traditional Built Properties, Felindre	479	29	950				979
Resiform & Traditional Built Properties, Craig Cefn Parc	175	25	150				175
British Iron & Steel Federation (BISFs) Houses West Cross	28	42					42
Wimpey No Fines (WNFs) Properties, Waunarlwydd	853	940	90				1,030
Wimpey No Fines (WNFs) Properties, Heol Emrys & Tudno Place	75	75	150	250	800	1,000	2,275
Easiform Properties, Winch Wen		332	18				350
Easiform & Traditional Properties, Sketty	63	40					40
Easiform & Wimpey No Fines Properties, Clase	200	106					106
Easiform Properties, Birchgrove		1					1
Highrise Flats, Croft Street, Dyfatty	962	600	1,162	8,250	6,750	500	17,262
Highrise Flats, Griffith John Street, Dyfatty	80	180	0	100	900	5,000	6,180
Highrise Flats, Clyne & Jeffreys Court	494	180	40				220
Chimney Repairs	996	446	1,100	1,000	1,000	1,000	4,546
Chimney Repairs Building Services		100					100

HRA CAPITAL PROGRAMME	2020/21 to 2024/25						
	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	Original	Revised	Original	Original	Original	Original	Original
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Good State of Repair continued.							
Pitched Roof Renewal, Gower	18	14					14
Pitched Roof Various	55	10	50	100	100		260
Pitched Roof Various, Port Tennant Road Flats	3	3					3
Pitched Roof Various, Maes Yr Efail	350	330	20				350
Pantgwyn, Sketty	8		8				8
Flat Roof Renewal, Sketty	148	1					1
Flat Roof Renewal, Various	57	274	150	100	100	100	724
Flat Roof & Window Renewal Rheidol Court	1,250	1,027	23				1,050
Balcony Repairs	102	81	100	100	100	100	481
Window & Door Renewal	50	50	75	150	150	150	575
Fire Door Improvement	434	134	450	150	150		884
Structural Repairs	434	284	250	200	200	200	1,134
Drainage Repairs & Improvements	50	60	35	30	50	20	195
Repairs to Offices & Operational Assets - Various	246	100	121	50	50		321
Design & Scheme Preparation	5		2	2	2	2	8
Safe and Secure							
Fire Safety General	440	90	500	250	250	100	1,190
Smoke & Carbon Monoxide Detectors	950	713	1,338	1,100	1,000	1,000	5,150
Smoke & Carbon Monoxide Detectors - Communal Areas	75						0
Fire Safety Sprinkler System, Highrise & Sheltered	300	200	100				300
Sprinkler System, Griffith John Street	600	30	570				600
Sprinkler System, Clyne Court	10	14					14
Electrical Rewiring	1,407	800	1,150	950	1,200	1,200	5,300
Electrical Rewiring - Contingency	20		20	20	20	20	80

HRA CAPITAL PROGRAMME Scheme / Project	2020/21 to 2024/25						
	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	Original	Revised	Original	Original	Original	Original	Original
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Safe and Secure continued.							
Electrical Rewiring - Communal Systems & Facilities	490	200	600	200	50	50	1,100
Electrical Rewiring - Sub Mains to Highrise Blocks	20		20		500	1,000	1,520
Warden Call System	100	100	160	160	160		580
Communal Aerials	87	87	100	50			237
Passenger Lift Renewal & Improvements, Various Locations	652	452	1,000	1,600	300	500	3,852
Energy Efficiency and Adequately Heated							
Boiler & Heating Replacement	900	700	900	850	900	950	4,300
Heating Distribution Systems, Various Locations	100		100				100
Heating Upgrades & Fuel Conversions	50	50	50	50	50	50	250
Loft Insulation	70	40	80	20	20	50	210
Energy Efficiency & Energy Grant Support	301	1	300	200	200	100	801
Energy Efficiency City Wide: Heating & Ventilation				100	200	500	800
Kitchens and Bathrooms							
Kitchen & Bathroom Renewal			2,500	2,000	1,500	1,000	7,000
Kitchen & Bathroom Renewal Asbestos	27	27					27
Kitchen & Bathroom Renewal 18/19 CBS		26					26
Kitchen & Bathroom Renewal 19/20 Contractor 1	550	629					629
Kitchen & Bathroom Renewal 19/20 Contractor 2	640	275					275
Kitchen & Bathroom Renewal 19/20 Contractor 3	550	550					550
Kitchen & Bathroom Renewal 19/20 Contractor 4		334					334
Kitchen & Bathroom Renewal 19/20 CBS		5					5
Kitchen & Bathroom Renewal 20/21 Contractor 1	2,800	2,000	800				2,800
Kitchen & Bathroom Renewal 20/21 Contractor 2	1,400	1,000	400				1,400

HRA CAPITAL PROGRAMME	2020/21 to 2024/25						
	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	Original	Revised	Original	Original	Original	Original	Original
Scheme / Project	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Kitchens and Bathrooms continued							
Kitchen & Bathroom Renewal 20/21 Contractor 3	1,400	1,000	400				1,400
Kitchen & Bathroom Renewal 20/21 Contractor 4	1,400	1,000	400				1,400
Kitchen & Bathroom Renewal 20/21 CBS	1,804	1,304	500				1,804
Located in Safe Attractive Environment							
Environment - Within the Curtilage							
External Facilities Scheme				1,000	1,000	800	2,800
External Facilities Scheme Gorseinon Contract 1	36	36					36
External Facilities Scheme Gorseinon Contract 2	19	19					19
External Facilities 18/19 – Penlan	58	0	54				54
External Facilities 19/20 – Arennig Road Area	38	0	38				38
External Facilities 19/20 – Penlan 3 EHG Area	15	15					15
External Facilities 20/21 – St Thomas	360	330	37				367
External Facilities 20/21 – Bonymaen	600	771	35				806
External Facilities 20/21 – Birchgrove	362	411	18				429
External Facilities 20/21 – Penlan 4	50	50					50
External Facilities 20/21 – Trallwn	674	819	25				844
External Facilities 20/21 – Winch Wen	1,496	500	996				1,496
External Facilities 20/21 – Llanllienwen	1,440	640	800				1,440
External Facilities 20/21 – Caemawr	628	500	128				628
External Facilities 20/21 – Clase	1,050	400	860				1,260
External Facilities 20/21 – Brondeg / City Centre	693	200	350				550
External Facilities 20/21 – Samuel Crescent Gendros	412	300	412				712
External Facilities 20/21 – Heather Crescent Sketty	259	259	140				399
External Facilities 20/21 – Oaktree Avenue Sketty	288	150	238				388

HRA CAPITAL PROGRAMME	2020/21 to 2024/25						
	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	Original	Revised	Original	Original	Original	Original	Original
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Located in Safe Attractive Environment continued							
External Facilities 20/21 – Landore and Trewyddfa	144	100	204				304
External Facilities 20/21 – Chestnut Avenue, West Cross	58	0	870				870
External Facilities 20/21 – Glenside Road, Portmead	58	116	900				1,016
External Facilities 20/21 – Sheltered Complexes	718	425					425
External Facilities 21/22 – Portmead Avenue			1,060				1,060
External Facilities 21/22 – Fforesthall			1,020				1,020
External Facilities 21/22 – Loughor			915				915
External Facilities 21/22 – Caergynydd Road			600				600
External Facilities 21/22 – Gower			900				900
Meter Boxes	50		30	30	30		90
Voice Entry Systems	400	100	500	300	200	200	1,300
Environment - Estate Based							
General Environmental Schemes	1,277	900	1,577	1,000	1,000	800	5,277
Environment – Estate Based			75	200	800	1,000	2,075
Meeting the Needs of the Household							
Adaptations Internal	2,000	1,600	2,400	2,000	2,000	2,000	10,000
Adaptations External	650	520	880	750	750	750	3,650
More Homes							
More Homes - Parc Y Helig	992	992					992
More Homes - Milford Way Pilot Scheme	3,150	3,150					3,150
More Homes - Creswell Road (Clase DHO)		55	1,000	1,000			2,055
More Homes - Other	150	150			1,150	1,150	2,450

HRA CAPITAL PROGRAMME	2020/21 to 2024/25						
	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	Original	Revised	Original	Original	Original	Original	Original
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
More Homes continued							
More Homes - Acquisitions	835	1,000	1,000	1,000	1,000	1,000	5,000
More Homes - Acquisitions Phase 2 Funding		2,000					2,000
More Homes - Acquisitions General Fund Land and Assets		500	700	2,000	1,500		4,700
More Homes - Acacia Refurbishment, West Cross	65	65					65
More Homes - Hillview/Beaconsview	2,585	2,000	2,785				4,785
More Homes - Purchase 70-72 Alexandra Road, Gorseinon	225		225				225
More Homes - The Circle, West Cross	493	100	993				1,093
More Homes - Conversion 70-72 Alexandra Road, Gorseinon	150		150				150
More Homes - Purchase and Conversion Bryn House		688	800				1,488
More Homes - Heol Dynys New Build			500	2,500			3,000
More Homes - Spark Centre			360				360
More Homes - Acquisition Ground Floor Flats/Bungalows (ICF)		400					400
More Homes - Scurlage				1,000	1,500	1,000	3,500
More Homes - Ty Draw				1,000	2,000	2,300	5,300
More Homes - Milford Way Partnership Scheme A				1,000	1,000		2,000
More Homes - Milford Way Partnership Scheme B				1,500	1,500		3,000
More Homes - Gwynfaen Farm				1,600			1,600
More Homes - Skomer and Westdale				1,000	2,000	2,000	5,000
More Homes - Garden Village					1,000	1,700	2,700
More Homes - Heol Emrys and Tudno Place New Build			400	2,300	4,000	5,000	11,700
More Homes - District Housing Office Conversion					300		300
More Homes - Ty Fforest, Blaenymaes			255				255
Total	54,166	44,045	59,080	58,965	59,997	55,236	277,323

HRA 4 Year Capital Programme

WHQS and Scheme Descriptions

Welsh Housing Quality Standard (WHQS)

The WHQS is a legal requirement and a strategic target for the council; it contains key standards that council housing across Wales are expected to meet. Compliance with the WHQS is measured via condition surveys which gauge compliance based on the condition and suitability of a wide range of building components.

The WHQS permits what are termed 'acceptable fails', these apply to building components which are considered to be non-compliant but where the Council is unable to undertake major repairs or improvements required to meet compliance due to the following four reasons: i.) Cost of remedy; ii.) Resident choice; iii.) Physical constraint; and iv.) Timing of remedy. When classing components as acceptable fail, properties will continue to be maintained and managed through the Council's responsive repairs service and its servicing activities to ensure tenants remain safe and secure in their homes.

Good State of Repair

Wind and Weatherproofing

Wind and Weatherproofing includes the repair and upgrade of the external fabric and energy efficiency of individual homes. The purpose is to maintain structural integrity, improve weather protection and significantly increase the thermal and energy efficiency. The energy efficiency measures will be to reduce occupancy related carbon dioxide emissions and contribute towards the decarbonisation agenda.

The specification of work will improve thermal values the scope of work will include renewing roofs, weatherboards and rainwater goods, wall tie renewal, application of external wall insulation, window renewal, porches and canopies where necessary, new front and back doors where required, balcony railings, balcony floors and doors, repairs to paths, steps, and handrails, fencing and drying facilities within the curtilage of the home. In some instances, improvements to fire safety will be undertaken.

Some schemes will include the application of renewable technologies and where the opportunity arises, participate in grant assisted energy efficiency schemes. These schemes will explore the application of energy efficient and renewable technologies aimed at reducing household costs and occupancy related carbon emissions. Work is set to include solar photovoltaic panels, battery storage systems and may also include where appropriate solar hot water panels, air source heat pumps, or ground source heat pumps, ventilation systems, mechanical heat recovery systems or any emerging technology or system that provides low or carbon neutral benefit to homes. Investment will also be used for major repair or renewal of existing systems and where necessary meet the costs of increasing the skills and knowledge to develop, design and deliver renewable energy systems.

To assist with delivery and monitoring performance of the energy efficiency measures, the Council may engage a partner such as an academic body. Partnership may include direct

contribution of some renewable equipment, post occupancy monitoring, as well as public acknowledgement of grant based contributions, promotion and academic reporting.

These contracts will operate over the period of this four year programme. Schemes may be packaged together to assist with delivery and may be subject to planning permission requirements; where this applies, officers will submit planning applications as necessary.

Airey and Traditional Constructed Properties, Felindre

Airey properties are of a concrete panel type construction and were built in the early 1950s. Externally, work will include providing new roof coverings and rainwater goods, repairs to the structure, wall finishes replaced with a new system or with traditional building materials depending on the most effective solution. New windows, front and back doors, repairs to paths, steps, handrails, fencing and drying facilities within the curtilage of the home where necessary. Internally, work will include kitchens and bathrooms and electric wiring as part of the refurbishment and in some instances, improvements to fire safety may be undertaken also. The repair scheme will secure the long term structural integrity of the properties, improve weather protection, provide new kitchens and bathrooms and increase the thermal and energy efficiency of the dwellings.

Due to location, these properties are not connected to the mains gas grid and depending on costs, the scheme may subject innovative whole house system of refurbishment that draws together a number of different measures that results in very high efficiency and very low occupancy related carbon dioxide emissions. Investment may support energy grants where available as well as monitoring.

To assist with delivery and monitoring performance of the energy efficiency measures, the Council may engage a partner such as an academic body. Partnership may include direct contribution of some renewable equipment, post occupancy monitoring, as well as public acknowledgement of grant based contributions, promotion and academic reporting.

This scheme will operate beyond a single financial period. This contract may be subject to planning permission requirements and officers will submit planning applications as necessary.

Resiform and Traditional Properties

Resiform properties are of a timber frame and fiberglass panel type construction and were built in the 1970s. Work will include renewing roofs and rainwater goods, repairs to the structure, application of external wall insulation and where required new thermally efficient windows and front and back doors, repairs to paths, steps, handrails, fencing and facilities within the curtilage of the home where necessary. In some instances, improvements to fire safety may be undertaken also. The repair scheme will secure the long term structural integrity of the properties, improve weather protection and increase the thermal and energy efficiency of the dwellings. Selected properties may include a suite of renewable technologies to create Homes as Power Stations (HAPS) which aims to greatly improve the energy efficiency of homes, reduce energy costs for tenants and inform future approaches to reducing carbon emissions and address the Welsh Government's decarbonisation agenda. The scheme may be supported by grant funding. To assist with delivery and monitoring performance of the energy efficiency measures, the Council may engage a partner such as an academic body. Partnership may include direct contribution of some renewable equipment, post occupancy monitoring, as well as public acknowledgement of grant based contributions, promotion and academic reporting. This

scheme may be subject to planning permission requirements and officers will submit planning applications as necessary.

Wimpey No Fines Houses

Wimpey No Fines are properties built with solid concrete walls and the repair scheme will address structural cracking where present and will include application of insulated render to improve thermal efficiency and weather protection, roof covering, window renewal where required and door renewal. Where required, thermally efficient windows as well as repairs to paths, steps, handrails, fencing and drying facilities within the curtilage of each home will be undertaken. Schemes may be subject to planning permission requirements and officers will submit planning applications as necessary.

Wimpey No Fines Properties – Heol Emrys and Tudno Place

A regeneration project has been commissioned to address some of the issues affecting the Wimpey No Fines properties in Heol Emrys and Tudno Place, An overarching masterplan is in the process of being developed which will set out a range of options and a programme of works to enable delivery of the agreed plan. It is likely that the plan will include a mix of refurbishment, new build and possible selective demolitions as part of regeneration works to improve the existing properties, increase the number of homes and enhance the area. Schemes will be subject to planning permission requirements and officers will submit planning applications as necessary.

Easiform Properties

Easiform properties are typically a poured concrete construction built in the 1950s and 1960s. The scheme will secure the long term structural integrity of the properties, improve the weather protection and safety and particularly improve the thermal efficiency of the properties. The scope of work will include roof repairs, wall repairs and insulation, window renewal as required, improvements to balconies where present and minor upgrades to fire safety. The scheme will include upgrades to communal entrance systems, repairs to paths, steps, and handrails, fencing and drying facilities within the curtilage of each home. Schemes may be subject to planning permission requirements and officers will submit planning applications as necessary.

Refurbishment of Highrise and Surrounding Low-rise Flats

The Council's high rise blocks were all built in the early 1960s and now require repairs to ensure their continued use over the long term. The schemes will focus on the remaining blocks in Dyfatty, specifically Croft Street and Griffith John Street and the scope of the work will be significant and varied in order to deliver key aims which include protecting the structures; improving their weather resistance, thermal and energy efficiency and fire safety. The flats will also receive improvements to communal areas within the blocks, internal facilities for individual homes as well as wider environment to ensure they are safe and attractive places to live. Investment will go towards the design, research and preparation of the scheme and the repair and improvements to the high and low rise blocks.

For individual flats, the schemes will provide new kitchens and bathrooms including associated work and improved kitchen layout. Electrical rewiring will be renewed where required, improvements to heating systems, integrated television reception systems and cabling for internet access, new door entry systems and upgrades to fire safety which will include the installation of sprinklers through individual flats, improved fire detection and warning, fire stopping and improved fire separation. Work inside homes may require

additional repairs and renewal of decorative and floor finishes depending on the level of disruption within homes.

Communal areas will have improved drainage and repairs and upgrades to any incoming or outgoing ducts and pipe work as well as service shafts. The blocks will receive new passenger lift cars and equipment including firefighting lifts where appropriate, new communal lighting and electrical installations including communal integrated TV and internet cabling and where required upgrade to the incoming electrical sub mains supply. Communal areas will also be covered by a new sprinkler system and upgrades to CCTV to ensure all areas are monitored. Where required improvements to fire safety, decoration and floor finishes may be included.

Externally, the work will include a new roof and roof insulation, structural repairs, insulation and cladding systems, rainwater and foul water drainage and dispersal equipment, improvements to the communal walkways and upgrades to the balcony rails, balcony drainage and flooring, new balcony doors, repairs to balcony slabs, new thermally efficient windows, upgrades to fire protection, improved CCTV systems where required, improved entrances, renewal of the communal electrical wiring and lighting, and improvements to the decoration.

The highrise schemes will treat the immediate Housing owned areas in the surrounding areas with the aim to provide a safe and attractive environment for residents and visitors. To achieve this, the scheme will seek, amongst other works, to improve paths and circulation routes, improve security and safety which may include fencing and walls and improved lighting and CCTV coverage. Also work will include repairs to free standing and retaining walls, parking and areas of hard and soft landscaping, likely removal of garages and creation of additional resident parking.

The project will also create new accommodation by converting empty storage areas and commercial premises into HRA owned dwellings providing a mixture of general needs HRA accommodation as well as specialist temporary accommodation and where possible convert immediately surrounding hard environments into gardens or green buffer zones to improve the quality of accommodation. This is also likely to require moving the Town Centre District Housing Office to a neighbouring location in order to create additional accommodation. In some cases, this will require ownership transfer into the HRA as well as acquisition of private properties; some units may temporarily remain operational as commercial units until the scheme to convert to accommodation begins on site. Officers will undertake appropriation and acquisition activities in line with the Council's constitution and corporate financial rules.

The project is expected to take over four years to complete and will run across the full-time scale of this reporting period. Schemes will be subject to planning permission requirements and officers will submit planning applications as required.

Chimney Repairs

The scheme will involve repairing, rebuilding or taking away the chimney if it is no longer required and any works as required to heating systems which are affected by the works. The work will prevent damp and minimise repairs for the response repair service and will be an ongoing scheme over the four year reporting period.

Pitched Roof and Flat Roof Renewal

Pitched and flat roof renewal includes repairing the roof structure and chimneys, providing insulation where required and replacing the roof covering to ensure long term weather protection. Contracts are expected to run over the period of this four year programme.

Flat Roof Renewal

The scheme will include the renewal of the main and store roofs and will include improved insulation. Work will also include any minor repairs and upgrades to fire safety in these areas.

Balcony Repairs

Balconies will be repaired and improved to ensure they remain in good condition and safe to use. Repairs will include new balcony rails and enclosures, repairs to the balcony slabs, supports and structures, drainage and floor surface.

Window and Door Renewal

Replacement of windows and doors which are at the end of their useful life or require upgrading, the new units will improve thermal efficiency and security. Where required, some windows will be replaced to provide a means of escape. Where necessary, fire doors will be renewed in flats and to storage or communal areas to ensure they provide suitable fire protection.

Structural Repairs

Structural Repairs will treat free standing or retaining structures where there is failure or disrepair, subsidence, heave or movement cases, and other structural elements that are considered to be in need. Where the need arises, the budget will meet the cost for demolition of properties or structures including any buy back of properties as required.

Drainage and Drainage Protection

Where new drainage is required, existing drainage is in disrepair or in need of upgrading, servicing or there is a need to address changes in demand, the scheme will look to maintain or improve sites and may include amongst other items: new systems, alternative or new layouts, expansion of current systems or works to support or protect systems and arrangements. In scope will be formal storm and foul water drainage systems, swales, rain gardens, attenuation systems, gullies, watercourses, rivers, streams, ditches and culverts and areas of water run-off, pooling or ponding.

Repairs to HRA Offices and Operational Assets – Various

The scheme is to carry out repairs, alterations, refurbishment or renewal to HRA offices and / or HRA operational assets where required. The scope of work may include the conversion of existing facilities into accommodation or vice versa depending on service requirements, the repair and upgrade or the extension or creation of new assets to assist with the management and maintenance of the HRA housing stock. The work will include various items relating to the design, fees, structure, fabric, electrical, mechanical and elements within the curtilage. If works are subject to planning permission requirements, officers will submit planning applications as required.

Design and Scheme Preparation

Investment will meet the cost of early design and preparation of schemes contained within this report.

Fire Safety and Risk Reduction – Various Locations

A range of fire safety and general risk reduction measures will be undertaken to homes, land and HRA assets. Work will be varied but may include the provision of up-to-date fire safety signage and other fire safety communication, upgrading fire stopping materials, minor changes to layout and access routes, specialist intrusive investigations and testing in relation to improvement work, safety improvements within homes and communal areas including communal kitchens, fire barriers, upgrades to firefighting equipment and material and improvements to fire warning systems.

Smoke Alarms and Carbon Monoxide Detectors

Hard wired smoke alarms, heat detectors and carbon monoxide detectors in homes are renewed to ensure uninterrupted service. Investment will also be used for works in connection with remote monitoring and activation and dis-repair monitoring. The project will be ongoing and will run over the period of this four year programme.

Fire Safety Sprinkler Systems – Highrise and Sheltered Complexes

The scheme will install a sprinkler system to individual flats and communal areas of highrise blocks and older person sheltered complexes. Investment will be to all works in connection with delivering this work. The aim is to improve the fire safety for residents.

Electrical Rewiring – Various Locations

Homes with electrical installations that are approximately 30 years will be rewired as part of a planned scheme. Investment will meet the cost of the installation and works in connection as well as disruptions costs. The project will be a long term contract and will run over the period of this four year programme.

Electrical Rewiring Contingency – Various Locations

Properties will be rewired where an electrical inspection has identified that this is necessary.

Electrical Wiring and Emergency systems

The electrical systems in communal areas will be rewired and improved where the existing installations are required by the relevant regulation, where an electrical inspection has identified that this is required or where it is required as part of a service provided by the Council. The scope of the work will include the provision of new electrical wiring, emergency lighting, new communal aerial facilities, lightning conductors, fire alarms, Automatic Opening Vents (AOVs), IT systems and cabling, warning or helpline systems, CCTV, electrical mains and sub mains supply (where in housing ownership) and communal fire alarm systems as required. This contract will operate over the period of this report.

Warden Call and Alarm Systems

Investment is required to upgrade and improve tenant and warden call systems to alarm receiving centres to ensure continued uninterrupted provision for older and or infirm tenants. Work will include all relevant materials, installation activities and subscriptions to ensure tenants have access to a call system allowing facilitating support and help in older person accommodation.

Communal Aerials and TV Systems

The scheme is to repair or renew and upgrade existing communal aerial systems in housing accommodation. The majority of work will take place in older person sheltered accommodation and blocks of flats. The work will include upgrading and renewing aerial and satellite systems.

Passenger Lift Repair, Improvement and Provision – Various Locations

The Housing Service has responsibility for passenger lifts within its block of flats and sheltered accommodation. The investment is to meet the cost of assessment, design and repair, improvement, alteration or renewal to passenger lifts and associated work where there are defects (or at the end of their useful life) to ensure continued safe and long-term provision. The scope of work will include new lift cars, work to electronics, lift shaft repairs and upgrade, provision of fire-fighting lift where appropriate and the creation of new lift provision. Where there is sufficient requirement, new provision may be included at selected sites.

Adequately Heated

Boiler Replacement – Various Locations

Heating systems will be renewed or upgraded as part of a long term programme aimed at improving efficiency and reliability. The scope of the work will include both individual and communal heating systems. This contract is ongoing and will run over the period of this four year programme.

Heating Distribution Systems – Various Locations

Investment will be used for the repair and improvement to heating distribution systems. Work will typically include repairs, improvements and renewal of central heating pipe work, radiators, valves and thermostatic valves, insulation measures, room thermostats, and communal heating systems. The work may also involve reconfiguring and rerouting pipe work and any works in connection. The aim is to ensure heating systems are efficient, effective, safe and reliable for tenants.

Heating Upgrades – Various Locations

The scheme is designed to provide fuel switching to council homes e.g. coal to gas, storage heaters to gas or the installation of renewable heating system etc. as well as provide minor improvements to heating systems including time clocks and room thermostats.

Loft Insulation

The scheme will improve loft, roof and ceiling insulation levels in council homes with the aim of improving thermal efficiency. This contract will operate over the period of this four year programme. The scheme will also seek to access and support grant funding where available.

Energy Efficiency Measures and Energy Grant Support – Various

This investment is to meet the costs directly and/or support grants for carrying out design and feasibility studies as well as the delivery of measures that improve thermal and energy efficiency and/or Carbon Emissions in council homes. Work may include design and monitoring activities, the installation or the renewal of solar photovoltaics, solar hot water, battery storage, air source or ground source heat pump, mechanical vent heat recovering systems, communal heating systems, insulation measures including wall insulation or

other emerging energy saving technology / applications. The aim is to make homes more energy efficient, reduce energy costs for tenants, reduce carbon emissions and inform future approaches. The work will be ongoing and is expected to run over the period of this four year programme. Where schemes or activities are subject to planning permission requirements, officers will submit planning applications as necessary.

Kitchen and Bathroom Renewal

Kitchen and Bathroom Renewal

The investment will be to improve the internal living facilities, making these more safe and useable. Work may include, depending on requirements, alterations or replacement to electrical wiring, replacement central heating systems, incoming water supply, drainage arrangements, renewing food preparation surfaces, storage and cooking areas, kitchen layout alterations, flooring, decorative finishes including tiling and where required the renewal of sanitary facilities. Where required, the scheme will include general improvements to the home to enable kitchens and bathrooms to be improved, for example damp treatment, floor slab repairs/renewal or structural alteration to improve space and circulation within the home. The scheme will also include alterations and adaptations to kitchen and bathrooms where the occupants are identified as requiring these due to age, illness or disability. Contracts will operate over the period of this four year programme.

Kitchen and Bathroom Asbestos Management

Investment is to meet costs of managing asbestos in relation to works to kitchen and bathroom renewal. The purpose is to ensure tenants remain safe in their homes and the Council meets its statutory obligations.

Located in Safe/Attractive Environments

Environment - Within the Curtilage

External and Communal Facilities (Including Fencing/Walls/Hardstanding & Paths)

The scheme will undertake repairs to the external facilities within the curtilage of homes and communal areas of blocks of flats to ensure they are reasonably safe and practicable areas. Garden areas can vary considerably from property to property and therefore the work will be tailored to the needs of individual homes, but will broadly include minor repairs or partial replacement of fencing and boundary walls, walls within the curtilage, paths, steps, handrails, drying facilities, clearance and or planting where necessary or lighting to communal areas. Where some facilities are no longer viable, these may be removed. The project will be ongoing and will run over the period of this four year programme.

Meter Boxes

The scheme will replace and upgrade gas and electric meter boxes to improve safety and the appearance. The project will be ongoing and will run over the period of this four year programme.

Voice Entry Systems

The scheme will renew or upgrade existing or provide new communal entrance doors in blocks of flats with voice entry systems. Investment will also ensure communal areas are protected and improve the safety and security for tenants and residents.

Environment

General Environmental Improvement Schemes

The scheme is to improve areas belonging to the Housing Revenue Account element of the Housing Service which are outside the curtilage of individuals' homes. The schemes will be based on consultation exercises with stakeholders as well as repairs and improvements necessary for the Housing Service to discharge its duties as asset holder.

Area Enhancement – Estate Based

Investment will be used to address the environment of areas where there are specific needs and challenges to ensure these are suitable for future use. Where schemes or activities are subject to planning permission requirements, officers will submit planning applications as necessary. The project will be ongoing and will run over the period of this report.

Meeting Requirements of the Household

Adaptations

This funding is for alterations and improvements to council homes for tenants with medical conditions or disabilities. This scheme is ongoing and will operate over the period of this four year programme.

More Homes

The investment will be to support the creation of Council homes for social rent and increase the supply of affordable housing in Swansea. The investment will be primarily used to construct new homes on HRA land but also to acquire houses, property, buildings and land, and undertake any necessary clearance and preparation or other preparatory work associated with actions set out in the agreed 'More Council Homes Strategy'. Officers will undertake appropriation and acquisition activities in line with the Council's constitution and corporate financial rules. Activities to deliver the More Council Homes Strategy will include seeking and utilising grant assistance wherever available. As well as direct delivery to build new homes, the Council will also seek options to procure a development partner or a range of partners to deliver larger mixed tenure HRA sites, as well as exploring opportunities to work with local RSLs on delivery partnerships. The schemes will operate over the period of this four year programme. Schemes will be subject to planning permission requirements and officers will submit planning applications as required.

Agenda Item 14.



Report of the Section 151 Officer

Cabinet – 18 February 2021

The Capital Strategy 2020/21 – 2026/27

Purpose:	To approve the Capital Strategy which informs the seven year capital programme.
Consultation:	Legal, Finance and Access to Services.
Recommendation(s):	It is recommended that: 1) The Capital Strategy 2020/21- 2026/27 be forwarded to Council for approval.
Report Author:	Jeff Dong
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1. Introduction

- 1.1 Following the publication of the Revised CIPFA Prudential Code in Dec 2017, it is now a requirement for Authorities to produce a Capital Strategy in addition to its suite of reports which are required by Regulation which outline and support the capital and revenue budgets
- 1.2 The Capital Strategy has been developed to ensure that the Council can take capital expenditure and investment decisions in line with Council priorities and properly take account of stewardship, value for money, prudence, risk, sustainability and affordability. The Strategy, therefore, sets out the longer term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and the impact on the achievement of priority outcomes. The Capital Strategy sets out the underlying principles in support of the capital programme presented to Council for approval on this same agenda. It seeks to ensure that each project is supportive of our corporate objectives, has clearly identified funding and has

appropriate governance arrangements in place to support decision making and deliver the scheme.

1.3 The strategy covers capital expenditure, capital financing and asset management and is one of the key strategies alongside the more operational strategies for these and other areas including Treasury Management, Tax, Property Investment and service areas such as housing and other spending areas. It also gives an overview of how associated risk is managed and the implications for future financial sustainability. The Capital Strategy should support the delivery of the corporate objectives of the Authority and must complement and demonstrate clear links with the:

- The Corporate Plan
- Swansea: Achieving Better Together, Transformation Strategy and Programme Framework (Recovery Plan)
- The Revenue Budget Report
- The Capital Budget & Programme Report
- The Medium Term Financial Plan
- The Treasury Management, Investment Strategy and MRP Policy Statement Report

and have due regard to :

- The Wellbeing of Future Generations Act 2015

1.4 The Council's Corporate plan has the following pre-existing well-being priorities:

1. **Safeguarding** people from harm - so that our citizens are free from harm and exploitation
2. Improving **Education and Skills** - so that every child and young person in Swansea gains the skills and qualifications they need to succeed in life
3. Transforming our **Economy and Infrastructure** - so that Swansea has a thriving mixed use City Centre and a local economy that will support the prosperity of our citizens
4. **Tackling Poverty** - so that every person in Swansea can achieve his or her potential
5. Maintaining and enhancing Swansea's **natural resources and biodiversity** - so that we maintain and enhance biodiversity, reduce our carbon footprint, improve our knowledge and understanding of our natural environment and benefit health and well-being
6. **Transformation and Future Council** development - so that we and the services that we provide are sustainable and fit for the future.

1.5 The Council has subsequently adopted the Swansea: Achieving Better Together, Transformation Strategy and Programme Framework (Recovery Plan) with which it can plan and deliver services and objectives in the next 5 years. It is utilising this framework and its other planning tools that the Council plans to steer the City to recover from the aftermath of the effects of the Covid 19 global pandemic.

1.6 In formulating the detailed schemes within the programme of capital expenditure 2020/21- 2026/27 in the Capital Budget report , it can be demonstrated that all projects promote the objectives of at least one or more of the above corporate priorities in 1.4 and included in the capital programme is significant additional capital expenditure to support the economic recovery of the City following the Covid 19 pandemic.

2. The Capital Programme 2020/21 – 2026/27

2.1 The Capital Budget and Programme 2020/21 – 2026/27 for the General Fund and HRA is reported in detail in The Capital Budget & Programme & HRA Capital Programme Reports on this agenda.

3. Asset Management Planning

3.1 The programme includes capital expenditure on the following categories of spend:

- Operational – supporting core business and service delivery
- Investment – to provide a financial return to the Council
- Regeneration/ Community & Recovery – enabling strategic place shaping and economic growth / to support specific local community and regional projects/ investing in the City to aid recovery from the effects of the Covid 19 pandemic

3.2 Operational – Within the capital programme, is a comprehensive schedule of programmed routine repairs and maintenance both on the existing property and housing inventory and the significant portfolio of highways assets.

3.3 Investment – It is recognised that, over the long term property offers a sound total investment opportunity, (including yield in the form of contractually agreed rental/lease income and the potential for capital growth in the form of potential asset appreciating in value). The formation of the Property Investment Board has enabled the Authority to take advantage of investing in property with a view to making a financial return, based on robust business case analysis evaluating not only on financial returns but providing strategic control of key sites within the City boundaries.

3.4 Historically the PWLB has been the most economically advantageous form of capital financing for the Council. Following the HM Treasury consultation on the PWLB borrowing process, strict guidance has been issued by HM Treasury which strictly prohibits the use of PWLB borrowing for investing in property/commercial assets 'purely for yield'. These changes clearly affect the viability of the Council buying investment assets. However alternative financing (grants, capital receipts and commercial financing) can still be used to fund these 'yielding investments' if the investment metrics still allow. It is envisaged that these restrictions in PWLB borrowing shall require robust business case appraisal and risk management to ensure any such investment is in the best interests of The Council.

3.5 Regeneration/Community

The significant portion of the current capital programme is comprised of a number of major regeneration and community construction programmes being undertaken by the Authority:

- 21st Century Schools – A programme of major school refurbishment and new school build
- Swansea Bay City Region Deal - The Swansea City and Waterfront Digital District project (one of the 9 Swansea Bay City Region Projects) plans include a 3,500-seat digital indoor arena at the current LC car park site in the city centre that will accommodate music concerts, touring shows, exhibitions, conferences, gaming tournaments and other events. A digital square featuring digital artworks and ultrafast internet connection speeds will also be developed outside the arena.
- More Homes and Welsh Housing Quality Standards– A programme of council house refurbishment and new council house building, utilising new borrowing powers to invest in new Council housing stock.
- A significant programme of capital expenditure to assist the City's economic recovery from the Covid 19 pandemic

3.6 Covid 19 Pandemic Response

The robust asset management planning processes outlined above in 1.3, 1.4 and 3.1 could not have foreseen the speed and depth of impact of the global Covid 19 pandemic which took hold in March 2020. It is testament to the inherent robust, resilient professional, efficient asset management, corporate building services, legal support, procurement, finance and treasury management services operating within the Council which allowed it to design, allow planning consent , contract with partners, finance, insure and build and handover a 1,000 bed Covid 19 Field Hospital in 3 months, being fully operational in June 2020. The facility has subsequently been modified to support the national Covid 19 vaccination programme.

4. Commercial Activity & Property Investment

- 4.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition
- 4.2 In the context of the Capital Strategy, the council can use capital to invest in property and or infrastructure assets to provide a positive surplus/financial return. The council may fund the purchase of the property/infrastructure by borrowing money, (although as identified in 3.4 above, this now precludes PWLB). The income generated should cover the cost of servicing and repaying

the borrowed money each year. If an annual surplus is generated, this can be used to support the council's budget position, and enables the council to continue to provide services for local people. The business case process shall now need to be a more challenging/rigorous in light of the PWLB position in relation to investing purely for yield. Alternative sources of commercial funding usually carry a premium compared to usual prevailing PWLB interest rates, therefore this sets a higher bar for the commercial returns expected from investing into the asset and as such the business case and risk management process shall need to be robust before any such investment is made.

- 4.3 The reasons for buying and owning property investments are primarily:
- Market and economic opportunity.
 - Strategic control of key City sites
 - Economic development and regeneration activity in the City (all investment property is within the City & County boundaries)
 - Financial returns to fund services to residents
- 4.4 Historically, property has provided strong investment returns in terms of capital growth and generation of stable income. Property investment is not without risk as property values can fall as well as rise and changing economic conditions could cause tenants to leave with properties remaining vacant
- 4.5 The strategy makes it clear that the council will continue to consider investments on a commercial basis and to take advantage of opportunities as they present themselves, supported by our robust governance process. However the source of finance needs to be robust and the interest rates available need to be viable and support each business case. In light of this, it is expected that commercial property investment activity shall be reduced.
- 4.6 The Authority has established an appropriate gateway mechanism through the property investment board to appraise and evaluate all such investment opportunities.

5. Governance & Oversight

- 5.1 The Council has a well-established corporate governance framework with which to manage, monitor and quality assure the delivery of the capital programme:
- Cabinet
 - Approval of large schemes/programmes
 - Capital Budget Monitoring Cycle
 - Quarterly monitoring of progress against budget/programme
 - Contract Procedure Rules
 - Identifies most appropriate procurement route for project
 - Financial Procedure Rules

- Identifies appropriate scheme approval limits and budget virements/overspends thresholds
- Regeneration Programme Board
 - Monitors all regeneration programme schemes for progress against time, budget, quality
- Housing Futures Programme Board
 - Monitors all Housing schemes for progress against time, budget, quality
- 21st Century Schools Programme Board
 - Monitors all 21st Century Schools schemes for progress against time, budget, quality
- Property Investment Board
 - Identifies, appraises and approves property investment opportunities
- Risk Register
 - Corporate framework for monitoring corporate risks (including major capital schemes)
- Grants & Capital Manual
 - Outlines the corporate capital & grant protocols, procedures and practices for compliance by practitioners within the organisation

6. Capital Financing Strategy

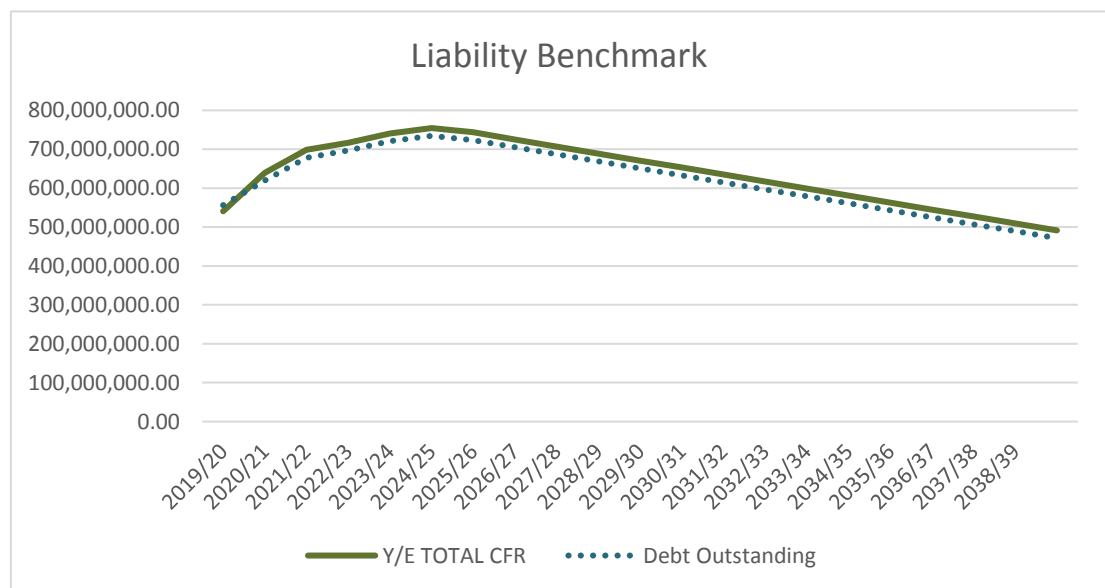
6.1 The Council's adopted capital financing strategy is to:

- maximise external private investment
- maximise external grant funding
- maximise capital receipt income
- finance self-funding income generative schemes
- minimise external borrowing
- minimise external funding costs

6.2 In the current difficult financial climate, capital allocations are constrained and the financing of prioritised schemes need to be carefully considered. In light of the continuing pressures on the revenue budget, unsupported borrowing is only to be utilised if there is a clear business case for expenditure and other sources of finance have been fully explored and ruled out. The corollary of austerity is that PWLB capital financing is still at competitively low levels, following the removal in Nov 2020 of the PWLB 1% premium introduced in Oct 2019, however PWLB borrowing cannot now be used in 'purely for yield' property investments as outlined in 3.4 but may still be used for operational and regeneration capital schemes.

7. Treasury Management Strategy

- 7.1 The Capital Strategy and the Capital Programme is intrinsically linked to the Treasury Management Strategy employed to fund the programme. The capital programme determines the borrowing need of the Council, essentially the longer term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. The Council approves its Treasury Management Strategy, Investment Strategy and Minimum Revenue Policy in a separate report on this agenda.
- 7.2 The Council is required to produce a liability benchmark informed by its underlying need to borrow, otherwise known as the Capital Financing Requirement (CFR), mapped against its actual levels of debt entered into. The attached is a projection of the benchmark as informed by the current capital programme. It can be seen that the benchmark enters into net repayment mode from 2025/26 as the current programme ends, but in reality the ongoing capital programme shall be refreshed on an annual basis with new commitments and ongoing financing shall be required.



8. Revenue Impact of The Capital Programme

- 8.1 Unsupported borrowing has a direct impact on the revenue budget, with revenue required to support both interest and principal repayments. The associated capital financing costs of a project are thoroughly considered when appraising a potential capital investment. The revenue impacts are considered in light of affordability, prudence and sustainability whilst considering the long term impact and benefits of a considered capital programme. The revenue impact of the capital programme are outlined in the Medium Term Financial Plan, which is also presented on this agenda.

8.2 The S 151 officer has carefully considered the impact of the many variables and unknowns inherent in the funding of the presented capital programme (e.g. Brexit impact, volatility of markets, timing of City deal funding, variability of direct capital grant funding, impact of MRP review on equalising principal repayments in later years) and has sought to mitigate the impact of the funding of the capital programme on the revenue account with the establishment of the capital equalisation reserve. The utilisation of the reserve recognises the future obligations arising out of the committed capital programme whilst prudently mitigating that impact on the revenue account by adopting professional judgement in reserving appropriately at this time in the capital equalisation reserve.

9. Risk Appetite

9.1 Under CIPFA guidance, a local authority is required to outline its risk appetite in respect of its investment activities.

9.2 For the purpose of this statement, the Authority has referenced the Orange Book (UK government publication on the strategic management of risk within government) definition of Risk Appetite, namely:

“the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time.”

It is important to note that risk will always exist in some measure and cannot be removed in its entirety. Additionally, in order to realise investment and commercial gains, one has to take some measure of risk. Therefore, risks need to be considered both in terms of threats to the Council as well as positive opportunities. It is worth noting that the Public Accounts Committee supports well-managed risk taking across government, recognising that innovation and opportunities to improve public services requires risk taking, providing that the ability, skills, knowledge and training to manage those risks well, exist within the organisation or can be brought to bear from outside.

9.3 The risk appetite statement sets out how we balance risk and return in pursuit of achieving our objectives. It is intended to aid careful decision-making, such that the Council takes well thought through risks to aid successful delivery of its services and obligations, while also understanding the adverse aspects of risk undertaken and taking appropriate measures to mitigate these in line with its stated goals. Thereby, the Council’s risk judgements are more explicit, transparent and consistent over time.

9.4 The risk appetite statement shall form a key element of the Council’s governance and reporting framework. In addition, the risk appetite will be considered annually and monitored on an ongoing basis by senior management, advisors, Audit Committee and Scrutiny Panel as appropriate.

9.5 It is important to note that the risk appetite is a high level view on the key areas of risk and the qualitative quantum therein that the Council is willing to accept in pursuit of its objectives. In this, it is different to other key aspects of risk management, primarily:

- The risk universe – a detailed list of all the potential risks the Council is exposed to.
- Risk capacity – the maximum level of risk the Council can run given its reserves, revenues, and access to funding, liquidity, regulatory and legal constraints, and any other restrictions.
- Risk tolerance – the maximum amount and type of risk that the Council is willing to tolerate on a prudent assessment.

9.6 The latter two are usually quantified and given as a series of limits and analyses. The risk appetite is also supported by the following:

- The Council's risk management framework
- The governance structure and responsibilities
- Risk reporting
- Monitoring and escalation procedures

It should be noted that aspects of these will be bespoke to individual areas where risk is undertaken, e.g. managing the treasury portfolio, GDPR,

9.7 In general, the Council's risk appetite is expressed through its tolerance to risk in respect of capital preservation, meaningful liquidity and income certainty and volatility. The Council seeks to minimise its exposure to risks that are unwanted and unrewarded. Capital is managed centrally on an ongoing basis to ensure that there is sufficient liquidity in the short and medium term to meet costs and support front line services, as well as meeting long-term solvency and funding requirements. The benefits of this approach were apparent in the ability to fund the building of the 1,000 bed Covid 19 Field Hospital until such time, the Council could be reimbursed by WG.

9.8 The Council is exposed to a broad range of risks:

- **Financial risks** related to the investment of the Council's assets and cash flow, market volatility, currency etc.
- **Macroeconomic risks** related to the growth or decline of the local economy, interest rates, inflation and to a lesser degree, the wider national and global economy amongst others.
- **Credit and counterparty risks** related to investments, loans to institutions and individuals and counterparties in business transactions.
- **Operational risks** related to operational exposures within its organisation, its counterparties, partners and commercial interests
- **Strategic risks** related to key initiatives undertaken by the Council such as significant purchases, new ventures, commercial interests and other areas of organisational change deemed necessary to help the Council meet its goals.

- **Reputational risks** related to the Council’s dealings and interests, and the impact of adverse outcomes on the Council’s reputation and public perception.
- **Environmental and social risks** related to the environmental and social impact of the Council’s strategy and interests.
- **Governance risks** related to ensuring that prudence and careful consideration sit at the heart of the Council’s decision-making, augmented by quality independent advice and appropriate checks and balances that manage oversight and efficiency.

9.9 Managing the Council’s risks is an area of significant focus for senior management and members, and the Council adopts an integrated view to the management and qualitative assessment of risk .The Council aims to minimise its exposure to unwanted risks – those risks that are not actively sought and which carry no commensurate reward for the Council – through a range of mitigation strategies to the extent that it is cost-effective to do so. Specifically, the Council has no appetite for reputational risk, governance risk and currency risk.

For other risks, the Council’s appetite is as follows:

Risk	Appetite
Financial	<p>Moderate appetite for a range of asset classes, property and longer-term investments, subject to careful due diligence and an emphasis on security as well required liquidity profile.</p> <p>Lower appetite for capital growth oriented investments versus income generating investments.</p> <p>No appetite for currency risk, emerging markets and high volatility investments.</p>
Macroeconomic	<p>High appetite for exposure to local economic growth. Moderate appetite for exposure to national and global growth.</p> <p>Low appetite for interest rate risk, and inflation risk.</p> <p>No appetite for geopolitical risks and tail risk events.</p>

Credit & Counterparty	<p>High appetite for investment grade or secured credit risk, as well as exposure to highly rated counterparties and financial institutions with strong balance sheets.</p> <p>Lower appetite for unsecured non-investment grade debt. All subject to careful due diligence and an assessment of the transaction capacity, funding needs, broader goals and cashflow requirements.</p>
Operational	<p>Low appetite for BAU (Business as Usual) operational risks such as pricing errors, errors in administration, IT, cybersecurity etc. The Council maintains Risk Registers for key initiatives and significant investments to assess and mitigate specific risks on a more granular level. Business continuity plans have also been established to mitigate external occurrences.</p> <p>No appetite for fraud, regulatory breaches and exceeding risk tolerances.</p>
Strategic	<p>High appetite for strategic initiatives, where there is a direct gain to the Council's revenues or the ability to deliver its statutory duties more effectively and efficiently.</p>
Environmental & Social	<p>No appetite for environmentally negative risks.</p> <p>Low appetite for social risks, especially in the local region and always subject to full due diligence.</p>

9.10 Risk management is not a stand-alone discipline. In order to maximize risk management benefits and opportunities, it is integrated with existing business processes.

10. Skills & Knowledge

- 10.1 It is important that the Authority has the appropriate staff with the right skills, knowledge and expertise with which to deliver the capital strategy and the programme.
- 10.2 The Director of Place has operational responsibility for the delivery of the capital programme and has management responsibility for :
- Building Services (including procurement of Education Capital Programme)
 - Property Services
 - Regeneration & Planning Services
 - Highways and Transportation
 - Housing

where the staff are appropriately qualified as engineers, quantity surveyors, town planners, housing professionals, electricians, carpenters, subject matter experts and building professionals. Where required, external professionals are engaged and the appropriate framework/procurement route is adopted.

- 10.3 The financial management and budget monitoring of the capital programme is the responsibility of the S 151 Officer who is a CCAB qualified accountant and is supported by professionally CCAB qualified finance staff and technicians in providing the financial oversight and strategic financial advice for business case appraisal and ongoing monitoring of the capital programme.
- 10.4 The Head of Commercial Services is responsible for ensuring appropriate internal and external procurement and commissioning procedures are adhered to, ensuring that best value is achieved.
- 10.5 The Chief Legal Officer is responsible for ensuring legal compliance in the execution of contracts and completion of legal agreements in relation to the capital programme.

11. Legal Implications

- 11.1 The regulations requiring Authorities to have regard to The Prudential Code are issued under part 1 of The Capital Finance Act 2003. The code and subsequent guidance was revised in 2017 and 2018 respectively. The 2017 Code now requires the production of a Capital Strategy.

12. Financial Implications

- 12.1 The financial implications of this strategy are outlined in the Capital Programme, Medium Term Financial Plan and Treasury Management Strategy and Investment Strategy also on this agenda.

13. Equality Impact Assessment

13.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

13.2 Our Equality Impact Assessment (EIA) process ensures that we have paid due regard to the above. We have undertaken an EIA screening which demonstrates there are no equality impact implications arising directly from this report (Appendix 1)

Background Papers: None

Appendices:

Appendix 1 – Equality Impact Assessment

Please ensure that you refer to the [‘Screening Form Guidance’](#) while completing this form. If you would like further guidance please contact your support officer in the Access to Services team (see guidance for details).

Section 1
What service area and directorate are you from?
Service Area: Financial Services & Service Centre
Directorate: Resources

Q1(a) WHAT ARE YOU SCREENING FOR RELEVANCE?

Service/ Function Proposal	Policy/ Procedure	Project	Strategy	Plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

(b) Please name and describe below
Capital Strategy- Now a requirement of the CIPFA Prudential Code, this sets out the overarching principles guiding the formulation of the capital programme

Q2(a) WHAT DOES Q1a RELATE TO?

Direct front line service delivery	Indirect front line service delivery	Indirect back room service delivery
<input type="checkbox"/> (H)	<input type="checkbox"/> (M)	<input checked="" type="checkbox"/> (L)

(b) DO YOUR CUSTOMERS/CLIENTS ACCESS THIS SERVICE...?

Because they internal need to	Because they want to	Because it is automatically provided to everyone in Swansea	On an basis i.e. Staff
<input type="checkbox"/> (H)	<input type="checkbox"/> (M)	<input type="checkbox"/> (M)	<input checked="" type="checkbox"/> (L)

Q3 WHAT IS THE POTENTIAL IMPACT ON THE FOLLOWING...

	High Impact	Medium Impact	Low
Impact	Don't know		
	(H)	(M)	(L)
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Race	<input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>
Sex	→ <input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>
Sexual Orientation	→ <input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>
Welsh Language	→ <input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>
Poverty/social exclusion	→ <input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>
Carers	→ <input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>
Community cohesion	→ <input type="checkbox"/>	<input type="checkbox"/>	✓	<input type="checkbox"/>

Q4 Have you / will you undertake any public consultation and engagement relating to the initiative?

Yes ✓ No (If no, you need to consider whether you should be undertaking consultation and engagement – please see the guidance)

If yes, please provide details below

Q5(a) HOW VISIBLE IS THIS SERVICE/FUNCTION/POLICY/PROCEDURE/PROJECT/ STRATEGY TO THE GENERAL PUBLIC?

High visibility
to general public
 (H)

Medium visibility
to general public
 (M)

Low visibility
to general public
✓ (L)

(b) WHAT IS THE POTENTIAL RISK TO THE COUNCIL'S REPUTATION?
(Consider the following impacts – legal, financial, political, media, public perception etc...)

High risk
to reputation
 (H)

Medium risk
to reputation
✓ (M)

Low risk
to reputation
✓ (L)

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes ✓ No If yes, please provide details below

Q7 HOW DID YOU SCORE? Please tick the relevant box below

– NOTE: Q3 counts as a single H, M or L (and one H / M outscores any n° of Ls)

MOSTLY H and/or M → HIGH PRIORITY → EIA to be completed
Please go to Section 2

MOSTLY L → LOW PRIORITY / NOT RELEVANT → ✓ Do not complete EIA
Please go to Q8 followed by Section 2

Q8 If after completing the EIA screening process you determine that this service/function/policy/project is not relevant for an EIA you must provide adequate explanation below.

This is now a code requirement to outline the principles behind the formulation of the capital programme and has no direct impact on the groups identified in Q3

Section 2

Please send this completed form to the Access to Services Team for agreement before obtaining email approval from your Head of Service.

Screening form completed by:	
Name: Jeff Dong	
Location: 1.4.1c	
Telephone Number: 07810438119	
	Date: 29/1/21
Approval by Head of Service:	
Name: B Smith	
Position: Section 151 Officer	
	Date: 29/1/21

Please return the completed form to accesstoservices@swansea.gov.uk

Agenda Item 15.



Report of the Local Authority Governor Appointment Group

Cabinet – 18 February 2021

Local Authority Governor Appointments

Purpose:	To approve the nominations submitted to fill Local Authority Governor vacancies in School Governing Bodies
Policy Framework:	Local Authority (LA) Governor Appointments Procedure (Adopted by Council on 26 October 2017)
Consultation:	Access to Services, Finance, Legal
Recommendation(s):	It is recommended that: 1) The nominations recommended by the Director of Education in conjunction with the Cabinet Member for Education Improvement, Learning and Skills be approved.
Report Author:	Gemma Wynne
Finance Officer:	Chris Davies
Legal Officer:	Stephanie Williams
Access to Services Officer:	Catherine Window

1. The nominations referred for approval

1.1 The nominations are recommended for approval as follows:

1. Bishop Gore	Cllr Mark Child
2. Pennard Primary School	Mrs Heidi Lythgoe
3. Waunarwydd Primary School	Mrs Rayna Soproniuk
4. Ysgol Crug Glas	Mr Quentin Hawkins Mrs Lynne Smith

2. Financial Implications

- 2.1 There are no financial implications for the appointments; all costs will be met from existing budgets.

3. Legal Implications

- 3.1 There are no legal implications associated with this report.

4. Equality and Engagement implications

- 4.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
- 4.2 Our Equality Impact Assessment process ensures that we have paid due regard to the above.
- 4.3 There are no equality and engagement implications associated with this report. Under the Government of Maintained Schools (Wales) Regulations 2005, it is a statutory requirement for all schools to have Local Authority governors who are appointed by the Direction of Education in conjunction with the Cabinet Member for Education Improvement, Learning and Skills. The Councillor(s) representing the ward(s) in the catchment area of the schools', the Headteacher and Chair of governors views will be sought to input into the decision-making and recommendations are taken to Cabinet for ratification as agreed by the Council Constitution.

Background papers: None

Appendices:

Appendix A - Equality Impact Assessment Form

Equality Impact Assessment Screening Form – Appendix A

Please ensure that you refer to the Screening Form Guidance while completing this form. If you would like further guidance please contact the Access to Services team (see guidance for details).

Section 1

Which service area and directorate are you from?

Service Area: Education

Directorate: People

Q1(a) WHAT ARE YOU SCREENING FOR RELEVANCE?

Service/ Function	Policy/ Procedure	Project	Strategy	Plan	Proposal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(b) Please name and describe here:

Appointing Local Authority governors to schools in Swansea

Q2(a) WHAT DOES Q1a RELATE TO?

Direct front line service delivery	Indirect front line service delivery	Indirect back room service delivery
<input type="checkbox"/> (H)	<input checked="" type="checkbox"/> (M)	<input type="checkbox"/> (L)

(b) DO YOUR CUSTOMERS/CLIENTS ACCESS THIS...?

Because they need to	Because they want to	Because it is automatically provided to everyone in Swansea	On an internal basis i.e. Staff
<input type="checkbox"/> (H)	<input type="checkbox"/> (M)	<input checked="" type="checkbox"/> (M)	<input type="checkbox"/> (L)

Q3 WHAT IS THE POTENTIAL IMPACT ON THE FOLLOWING...

	High Impact (H)	Medium Impact (M)	Low Impact (L)	Don't know (H)
Children/young people (0-18) →	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Older people (50+) →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Any other age group →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race (including refugees) →	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asylum seekers →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gypsies & travellers →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief →	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sex →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Welsh Language →	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers) →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community cohesion →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity →	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Q4 WHAT ENGAGEMENT / CONSULTATION / CO-PRODUCTIVE APPROACHES WILL YOU UNDERTAKE?

Please provide details below – either of your planned activities or your reasons for not undertaking engagement

This activity does not require consultation

Equality Impact Assessment Screening Form – Appendix A

Q5(a) HOW VISIBLE IS THIS INITIATIVE TO THE GENERAL PUBLIC?

High visibility <input checked="" type="checkbox"/> (H)	Medium visibility <input type="checkbox"/> (M)	Low visibility <input type="checkbox"/> (L)
--	---	--

(b) WHAT IS THE POTENTIAL RISK TO THE COUNCIL'S REPUTATION?
(Consider the following impacts – legal, financial, political, media, public perception etc...)

High risk <input type="checkbox"/> (H)	Medium risk <input type="checkbox"/> (M)	Low risk <input checked="" type="checkbox"/> (L)
---	---	---

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes x No If yes, please provide details below

Q7 HOW DID YOU SCORE?
Please tick the relevant box

MOSTLY H and/or M → HIGH PRIORITY → EIA to be completed
Please go to Section 2

MOSTLY L → LOW PRIORITY / NOT RELEVANT → Do not complete EIA
Please go to Q8 followed by Section 2

Q8 If you determine that this initiative is not relevant for an EIA report, you must provide a full explanation here. Please ensure that you cover all of the relevant protected groups.

There are no equality and engagement implications associated with this process. Under the Government of Maintained Schools (Wales) Regulations 2005, it is a statutory requirement for all schools to have Local Authority governors who are appointed by the Direction of Education in conjunction with the Cabinet Member for Education Improvement, Learning and Skills. The Councillor(s) representing the ward(s) in the catchment area of the schools', the Headteacher and Chair of governors views will be sought to input into the decision-making and recommendations are taken to Cabinet for ratification as agreed by the Council Constitution.

Section 2

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email – no electronic signatures or paper copies are needed.

Screening completed by:
Name: Gemma Wynne
Job title: Governor Support Officer
Date: 24/11/20
Approval by Head of Service:
Name: Kate Phillips
Position: Interim Head of Service, Achievement and Partnership
Date: 24/11/2020

Agenda Item 16.



Report of the Cabinet Member for Delivery and Operations

Cabinet – 18 February 2021

Swansea Central Area - Regenerating Our City for Wellbeing and Wildlife

Purpose:	To seek Cabinet approval and adoption of the Strategy.
Policy Framework:	The Strategy is designed to support the Local Development Plan (LDP) Policy ER 2 Strategic Green Infrastructure Network and emerging Supplementary Planning Guidance on Green Infrastructure. The strategy contributes to the Council's duties under the Well-being of Future Generations (Wales) Act 2015, Environment (Wales) Act 2016 and will support the application of the Statutory SuDS Standard 2019. It also delivers one of the steps in the Council's well-being objective: Maintaining and enhancing Swansea's natural resources and biodiversity and, the Swansea Public Service Board's Working with Nature Objective.
Consultation:	The process to produce the Strategy included engagement with relevant Council stakeholders from the public, private and 3 rd sector and residents, visitors and users of the Swansea Central Area during the development of the draft strategy followed by a 5 week consultation on the draft strategy.
Recommendation(s):	It is recommended that: 1) The Strategy is approved for adoption.
Report Author:	Penny Gruffydd
Finance Officer:	Ben Smith
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar

1. Introduction

- 1.1 We know from the Landmark report by the UN Intergovernmental Panel on Climate Change (IPCC), that by 2050 the Swansea Central Area will have periods of intense heavy rainfall, droughts, and rising temperatures. Failure to adapt to and mitigate for climate change is no longer an option if we are to provide an economically prosperous hub for the Swansea Bay City Region. Environmental sustainability is the basis for a resilient and prosperous Swansea. The benefits and cost-effectiveness of green infrastructure (GI) are now well documented. The regeneration currently underway in the Swansea Central Area provides a perfect opportunity to design in multi-beneficial GI improvements to help ensure we have a city centre fit for the future.
- 1.2 During 2019 the Council's Natural Environment Section worked in collaboration with Natural Resources Wales (NRW) and Green Infrastructure Consultancy (a leading expert with a proven track record in the green infrastructure industry) to develop a draft Swansea Central Area Green Infrastructure Strategy; *Swansea Central Area – Regenerating our City for Wellbeing and Wildlife* (Appendix A), including a Green Space Factor tool. The Strategy is designed to realise the green infrastructure aims of the Swansea Central Area Regeneration Framework and ensure the city centre benefits from strategically planned green infrastructure enhancements in both the planning of new development and the refurbishment of existing buildings and public spaces.
- 1.3 The strategy sets out the benefits and cost-effectiveness of green infrastructure i.e. reduced flood risk, summer cooling, cleaner air and water, reductions in noise, better mental and physical health, gains in biodiversity, reduced CO₂ emissions and energy costs and a strengthened economy. It will enable the Council and stakeholders to take an informed and joined up approach to maximising these benefits and will create investor confidence in green infrastructure in the city centre.

2. Strategy Development

- 2.1 To ensure and enhance the quality and variety of GI in development across Swansea Central Area the strategy provides a strategic approach by:
- demonstrating the environmental, social, economic and cultural benefits of improving and enhancing GI,
 - identifying opportunity areas and technologies/techniques for enhancing GI in new and existing development,
 - influencing strategic investment in GI based on its multiple benefits,
 - providing guidance and a tool to enable simple and reliable assessments of GI in new and existing development.
- 2.2 The Strategy is designed to provide an evidenced and clear overall strategy for multifunctional GI which performs individually and

collectively, physically and visually, ensuring the Council maximise the city centre's potential and its environmental resilience. It sets out a vision for the central area of Swansea to be much greener, creating green spaces which deliver resilience, prosperity, health, well-being and happiness. The intention is to double the amount of green infrastructure (with the exception of open water) within 10 years, to create a distinctive destination city with a high quality environment which is more liveable, better adapted to climate change and better for people and wildlife.

2.3 The strategy includes a Swansea Central Area Green Space Factor (GSF) tool, designed to measure the permeability of the different types of surfaces when planning a new development / refurbishment. The tool scores surface cover types for their permeability and quality in terms of multiple benefits. Similar GSF tools have been widely used since the 1990's, including in Greater London, the North West Region and Southampton.

2.4 Whilst use of the tool is not mandatory the Strategy states that NRW and the Council intends to apply the tool to their development proposals and expects and encourages all developers within the central area to use the tool to inform and improve their schemes as part of the pre-application process.

2.5 The strategy's vision:

A city with high quality multi-functional green infrastructure delivers resilience, prosperity, nature, health, well-being and happiness to the citizens and visitors of Swansea.

was developed following significant stakeholder engagement, including workshops for colleagues from the private, public and 3rd sector (including PSB partners), along with internal sessions with officers and members including the Economy and Infrastructure Policy Development Committee. 634 face to face conversations were held with members of the public across 10 locations in the Swansea Central Area. Sessions with the 4 primary schools within the catchment were held along with stakeholder meetings with 6 local groups including residents and local interest groups, and social media engagement using #citynature / #naturynyddinas.

2.6 These conversations demonstrated an overwhelming desire for more nature in the city, with stakeholders talking about the contribution nature makes to their personal, mental and physical wellbeing and to their desire to live, work and visit the city centre. Swansea workers, residents and visitors wanted a greener, healthier city with less hard surfaces. A city which provides space for wildlife bringing people joy, and an improved visitor and trading experience. A destination and liveable city which can adapt to and mitigate for climate change.

2.7 The draft strategy went out to public consultation between 22nd November 2019 and the 31st December 2019. The consultation process included an online survey and consultation events held at the 4

primary schools within the catchment area and in Swansea Central Library. 45 survey and one email response were received, along with comments from consultation sessions held with the 4 primary schools in the catchment area and members of the public in Swansea Central library. Professional stakeholders were consulted via the survey, and the draft was circulated internally to relevant Heads of Service for comment and a corporate workshop held on the 16th December 2019.

- 2.8 Overall the strategy was very well received. Over three quarters (79%) of survey respondents agreed with the strategy's vision, and over three quarters of survey respondents supported the strategic objectives. The comments and actions from the public surveys, email and school and Library session are all summarised in Appendix B.
- 2.9 The Strategy reflects the comments and suggestions from the consultation. In light of these comments the strategic objectives have been reviewed and revised to include SMART objectives which clearly reflect each component of the vision. The targets from the draft strategy have been reworked to form a suite of Performance Indicators supported by two targets: increasing canopy cover to 20 - 25% by 2044 and doubling terrestrial GI from 13% to 26% by 2030. These figures were based on latest available research and recommendations and considered to be appropriately ambitious given the physical constraints of a highly urbanised area.
- 2.10 A number of comments from the surveys referred to GI improvements at locations outside the Swansea Central Area. These will be addressed during the development of the County Wide GI Strategy, the engagement stage of which will recommence once covid restrictions have been lifted enabling face to face public engagement.

3. Using the Strategy Corporately

- 3.1. Swansea Council has a strong commitment to reducing and adapting to the effects of climate change. As demonstrated in its Climate Change Declaration, the corporate objective: Maintaining and enhancing Swansea's natural resources and biodiversity and, the Swansea Public Service Board's Working with Nature Objective. The inclusion of GI is an effective way for the Council to deliver against these commitments whilst also complying with the requirements of national and local drainage, planning and environmental legislation.
- 3.2 The scoping and development of the Strategy has been overseen by a cross cutting disciplinary steering group including Strategic Planning, Nature Conservation, Regeneration, Landscape and Development Management teams within the Planning and City Regeneration Service, and colleagues from Drainage and Parks Services within the Place Directorate.
- 3.3 For corporate asset development, implementation of the strategy will have short and long term implications. The shift to the inclusion of GI in Council projects has the potential to have a short term effect on the costs

of ongoing projects if not properly designed in. However, for future, longer term projects evidence shows that costs can be mitigated against by considering existing GI assets and interventions from the outset of a project. For example, recent Welsh Government analysis of the evidence for sustainable urban drainage (SuDS) concludes that the overall costs of well-designed good quality landscaped SuDS solutions are always less than those of conventional solutions, and in most cases the overall operational costs and maintenance costs are also lower. When piloting the GI Strategy and GSF Tool on 71/ 72 the Kingsway the design has been able to incorporate significant GI technologies within the design process.

- 3.4 There are numerous long term benefits of upfront investment in GI. For example the iTrees study of Swansea River Tawe catchment area (2015) concluded that trees in the catchment intercept an estimated 252 million tonnes of water (equivalent to an estimated £333,900 in sewage charges avoided), removed an estimated 136 tonnes of airborne pollutants (worth more than £715, 500 in damage costs), and an estimated 3,000 tonnes of carbon (estimated to be worth £671,000) from the atmosphere per year, worth and stored an estimated 102,000 tonnes of carbon (estimated to be worth £23.1 million). Other benefits include reducing surface water run off and localised flooding, creating habitats for wildlife, improving mental and physical health and wellbeing and child development, saving energy costs, increasing property values and inward investment, and protecting that investment from the impacts of climate change. Covid 19 has highlighted the importance of access to high quality greenspace for people's mental and physical health.
- 3.5 The Regeneration Team plan to use the Strategy to advise current and future phases of the Swansea Central Area regeneration programme. The Strategy has been aligned to the Swansea Central Area Regeneration Framework (SCARF) to reflect this. Regeneration and Development Management will also be encouraging partners and developers to use the strategy and tool as a simple and effective means of demonstrating compliance with legislation.
- 3.6 The issues of future maintenance and the need for training in the use of the GSF tool and implementing new GI infrastructure are fully recognised and reflected in the strategic objectives in the Strategy and will be addressed through bespoke training for teams on specific issues as required, and more widely through local professional development events, working with communities to identify innovative ways to maintain GI, promoting and sharing good practice.
- 3.7 Corporate and partner cross-disciplinary collaboration will be key to delivering quality multi-beneficial GI which will tackle the causes and effects of biodiversity loss and climate change. The progress and success of the strategy will be monitored as part of the Council's Section 6 Duty under the Environment Act, the Council's Wellbeing objective: Maintaining and enhancing Swansea's natural resources and biodiversity and through the Swansea Public Service Board Local Wellbeing Plan and the Climate Change Programme Board where GI has been identified

as one of the 8 themes for the achievement of zero carbon and the climate emergency response.

- 3.8 The collaborative stakeholder approach taken through the development of the strategy has meant that whilst in development the objectives and principles are already influencing developments locally and nationally. For example, successful engagement and partnership working with Welsh Government catalysed the development and delivery of a £5 million GI grant fund delivering capital GI schemes in the current financial year in urban centres across Wales, 4 of which are in the Swansea Central Area. The Strategy has also created local and national radio, television and broadsheet interest and media coverage.

4. Wellbeing of Future Generations Act

- 4.1 The sustainable development principle and the ways of working have been central to the development of this strategy from its conception, as outlined in Appendix C.

5. Equality and Engagement Implications

- 5.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

- 5.2 The Strategy is part of the delivery of the Council's Corporate Plan and the Swansea Local Well-being Plan both of which have undergone full EIA's. As a strategy focusing on the natural environment it will not directly impact on any of the relevant protected groups. However by enhancing and improving the natural environment the strategy will contribute to all the Wellbeing of Future Generation Act's 7 well-being goals and therefore indirectly contribute to the overall improvement of wellbeing for all Swansea residents including the relevant protected groups, by contributing to improving social, environmental, economic and cultural well-being.

6. Financial Implications

- 6.1 Acceptance of this strategy will further embed and reinforce the wider GI obligations and requirements on the authority as set out in the LDP and WBFGA. In the short term there would be potential for additional costs to current projects that have not had GI adequately designed in from the outset, however this would be offset in the longer term by the savings

that better use of GI would bring to future projects plus added value in terms of wide environmental benefits.

- 6.2 Acceptance of the report does not mean that additional resources will be made available and it should be assumed that future spending needs will need to be contained within existing budget provision and furthermore also have full and due regard to the likely heavily constrained resources available to the authority in future.

7. Legal Implications

- 7.1 The Council must comply with the statutory obligations for biodiversity and natural resource management contained in the Well Being of Future Generations Act 2015 and the Environment (Wales) Act 2016 as detailed in this report.

Background Papers: None

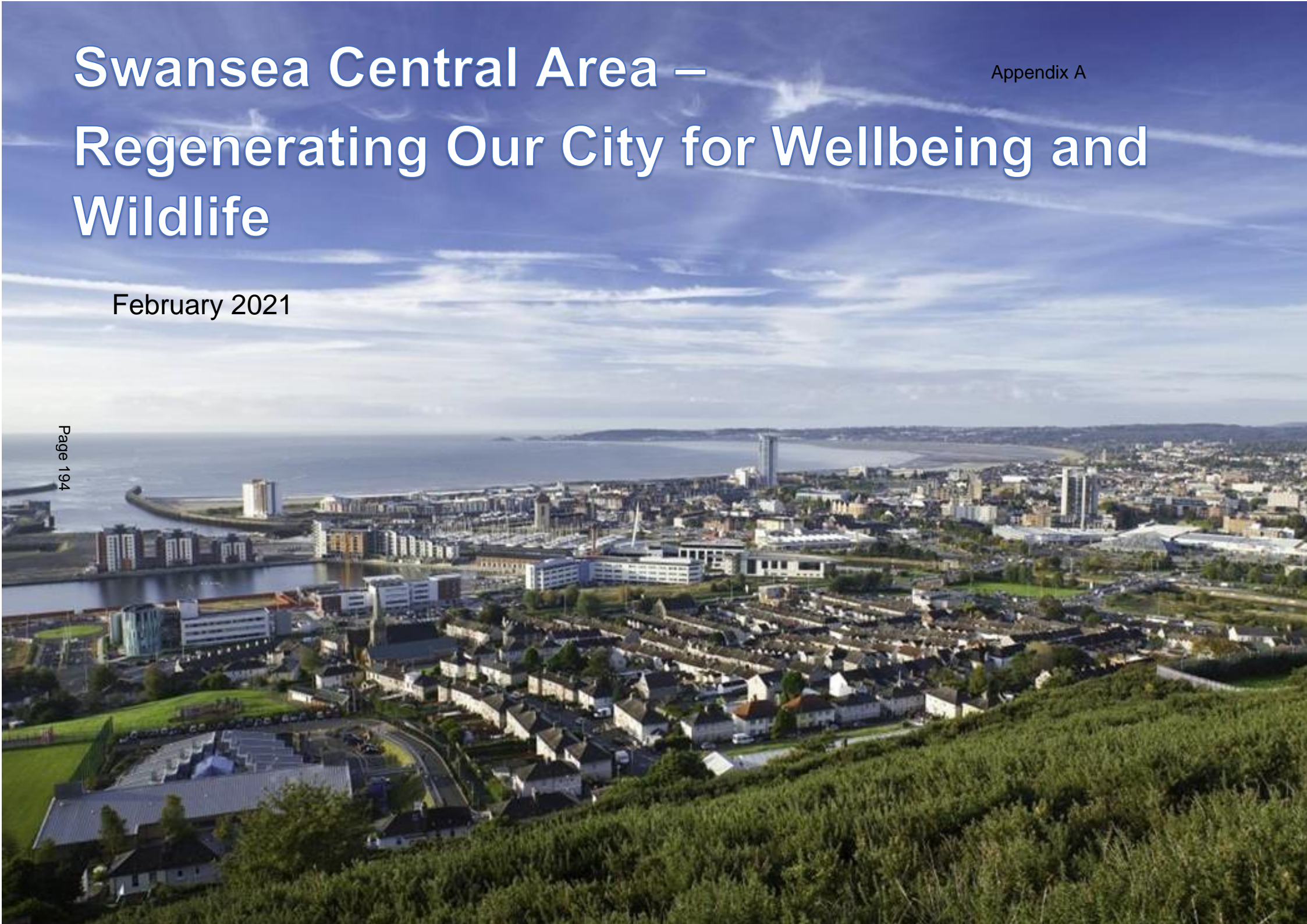
Appendices:

- | | |
|------------|---|
| Appendix A | Swansea Central Area: Regenerating Our City for Wellbeing and Wildlife |
| Appendix B | Consultation Report |
| Appendix C | Assessment of the Strategy's contribution to the Well-being of Future Generations Act's wellbeing goals and application of the ways of working. |
| Appendix D | EIA Screening Form |

Swansea Central Area – Regenerating Our City for Wellbeing and Wildlife

Appendix A

February 2021





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This document is also available in Welsh

Cover Image: Wikipedia Commons

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SUMMARY

This strategy sets out the Swansea Council's and Natural Resources Wales's vision for:

“A city with high quality multi-functional green infrastructure delivering resilience, prosperity, nature, health, well-being and happiness to the citizens and visitors of Swansea.”

The landmark report by the UN Intergovernmental Panel on Climate Change (IPCC)¹ advises that by 2050 the Swansea Central Area will have periods of intense heavy rainfall, droughts and rising temperatures. In this strategy Swansea Council and Natural Resources Wales send a powerful message that failure to adapt to and mitigate for such a climate change scenario is no longer an option, if we are to maintain an economically prosperous hub for the Swansea Bay City Region. Environmental sustainability is the basis for a resilient and prosperous Swansea. It requires current generations to choose how they meet their needs without compromising the ability of future generations to be able to do the same.

The benefits and cost-effectiveness of green infrastructure are now well studied and include reduced flood risk, summer cooling, cleaner air and water, reductions in noise, better mental and physical health, gains in biodiversity and a strengthened economy. The economic benefits of green infrastructure are increasingly being recognised, for example, in terms of savings compared to drainage infrastructure, reduced heating and cooling costs of buildings, increased property values and creation of green job opportunities.

Wales has legislation; the Well-being of Future Generations (Wales) Act 2015 and Environment (Wales) Act 2016, which requires that people work together to protect and enhance nature for the long-term benefit of all. Wales also has the requirements of the Flood and Water Management Act 2010 and Statutory Standards for Sustainable Drainage Systems 2018 which requires a new approach the sustainable management of surface water. The provision of green infrastructure will enable us to meet these requirements, and this Strategy aims to create investor confidence in green infrastructure by describing how it will be applied in the Swansea Central Area.

¹ IPCC, 2018: Summary for Policymakers. In: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate

change, sustainable development, and efforts to eradicate poverty [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, and T. Waterfield (eds.)

“A City that is green is a City where I want to be seen.
A City that is bare is a City that does not care”

Anonymous member of the public, Swansea

The development of this strategy involved over 634 face to face conversations with members of the public, including residents and visitors to the Swansea Central Area, about what nature in the city means to them. Workshops were also held with businesses, developers, architects, landscape architects, public sector staff and Swansea Councillors. The overwhelming message from this engagement was that #citynature is very important to people and will increase their enjoyment and therefore their dwell time in the city centre.

Swansea Central Area is located in an attractive setting, with Swansea beach and bay, the river Tawe, and surrounding hills and woods all within sight. However within the urban area, with the exception of churchyards, the marina and a few locations where there are street trees, sealed surfaces dominate. There are plans however to increase the amount of green infrastructure in new schemes outlined in the Swansea

Central Regeneration Framework (SCARF), which will make the area more vibrant and attractive.

This strategy considers how green infrastructure can be increased in extent and quality in the central area of Swansea in order to make it better adapted to climate change and a better place for people and wildlife. Green infrastructure is a term used to describe all the greenspace, soil, vegetation and water (ranging from parks to roof gardens) that provide the ecosystem services that make our places more liveable.

“Taking kids shopping is a headache. 30 minutes
break for free play is a life line. Children don’t have
that chance today.”

Anonymous shopper, Swansea Quadrant

This strategy sets out a vision for the central area of Swansea to be much greener and more biodiverse, creating green spaces and using a combination of street-level features such as street trees and rain gardens as well as vegetation on buildings, including green roofs and green walls. The intention is to double the amount of green infrastructure (with the exception of open water) within 10 years. The focus will be to create a green infrastructure network, centred on a Green Artery that will connect Swansea Station in the north, with the beach and marina in the south and the wider area, via existing, improved greenspaces including churchyards and Castle Square. Green infrastructure will be planned and designed to be multi-functional and will involve a partnership approach, using innovative solutions, including Supplementary Planning Guidance for green infrastructure and a Green Space Factor tool (GSF tool). Swansea Council is committed to using the GSF tool, designed for the Swansea Central Area, as a measure for the quantity and functionality of green space in its developments. The GSF tool is described in Appendix 3.

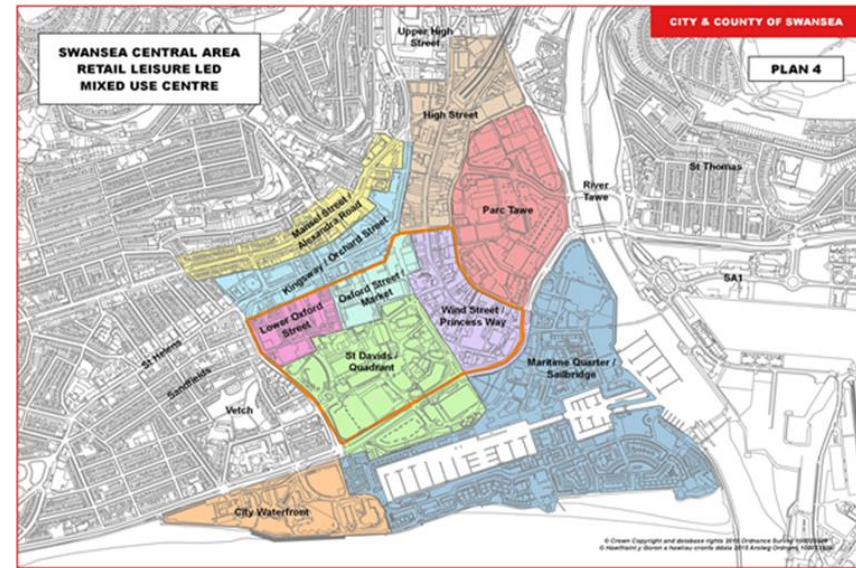


Figure 1: Swansea Central area as identified in the Swansea Central Area Regeneration Framework (SCARF)

1 INTRODUCTION

The Challenge

- 1.1 Swansea Central Area is dominated by sealed surfaces and buildings with GI making up only 13% of the area. There is clear evidence from the UN Intergovernmental Panel on Climate Change (IPCC) that by 2050 the Swansea Central Area will have periods of intense heavy rainfall, droughts and rising temperatures. Failure to adapt to and mitigate for climate change is no longer an option. The benefits and cost-effectiveness of green infrastructure (GI) are well documented. Environmental sustainability is the basis for a resilient and economically prosperous Swansea.

The Solution

- 1.2 Increasing GI and adaptation to / mitigation for climate change as part of the regeneration of the Swansea Central Area, is an important key driver for economic prosperity in the Swansea Bay City Region.
- 1.3 This strategy is designed to provide a focused approach to enhancing and developing urban GI. Whilst this strategy is for the Swansea Central Area, it will

eventually form part of a Green Infrastructure Strategy to be developed for the whole of the County of Swansea. Implementation requires a cross-disciplinary approach across services in Swansea Council, Natural Resources Wales and partners. This strategy demonstrates how the provision of more multifunctional GI will enable us to meet the requirements of relevant Welsh legislation and policy including the Well-being of Future Generations (Wales) Act 2015, Environment (Wales) Act 2016 and Schedule 3 of the Flood and Water Management Act 2010. The strategy is intended to be used by all stakeholders involved in the redevelopment and refurbishment of the Swansea Central Area.

- 1.4 The purpose of the strategy is to outline how GI can restore nature and contribute to improving the economy, culture and health & wellbeing in the Swansea Central Area. It describes existing GI assets and sets out a vision for future provision of GI. Climatologists predict that by 2050, the Swansea Central Area will have periods of intense heavy rainfall, droughts, and rising temperatures.² In this strategy Swansea Council and Natural Resources Wales send a powerful message that

² IPCC, 2018: Summary for Policymakers. In: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate

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failure to adapt to climate change is no longer an option, adaptation will be essential if Swansea is to continue to be an economically prosperous hub for the city-region. Maintaining existing and creating new high-quality GI is an important part of the work that Swansea Council and Natural Resources Wales will be undertaking to adapt to climate change and halt and reverse biodiversity losses. GI is essential for the health and well-being of Swansea's visitors and residents and to the vibrancy and viability of the city centre as the economic driver and key leisure destination of the Swansea Bay Region.

- 1.5 The intention is to bring about a cultural change so that a collaborative, cross-disciplinary, multifunctional approach to the planning, design, construction and maintenance of GI is adopted. The strategy sets out guiding principles and a framework for implementation. The implementation of the strategy is supported by the use of the Swansea Green Space Factor (GSF) tool, designed to increase the quantity and functionality of GI schemes (Appendix 3). The strategy is also supported by a catalogue of green infrastructure interventions (Appendix 2). Swansea Council, together with Natural Resources Wales is committed to promoting these schemes and interventions, and encourages others to use them, particularly when considering the design of proposals and associated GI schemes.

- 1.6 The GSF tool will help translate policy objectives into practice. It will not replace policies, strategies, plans or codes, but will help planners, and those involved in the development process to better understand how GI can be designed into schemes.
- 1.7 In those cities where they have been applied, GSF schemes have been shown to increase the amount of green space within developments, as well as increasing functionality, particularly with respect to surface water drainage. GSF schemes are supported by a wealth of evidence and experience, benefits include:
- a) A reported increase in the use of multifunctional green infrastructure features.
 - b) Urban greening on restricted sites in densely developed areas.
 - c) A simple mechanism, easily understood by non-specialists.
 - d) Facilitation of conversations between developers and planners.
 - e) Empowerment of local planning authorities to demonstrate the case for more greening.
 - f) Greater flexibility with scores and targets able to be adjusted to reflect local priorities.



Figure 2. Green roofs for example provide many benefits which enable developers to reach GSF targets

What is Green Infrastructure?

1.8 Green infrastructure (GI) is defined by the UK government as a network of multi-functional green space, urban and rural, which is capable of delivering a wide range of environmental and quality of life benefits for local communities. As a network it includes natural habitats ranging from grasslands, wetlands and

woodland to parks, open spaces, playing fields, street trees, rain gardens, allotments and private gardens. It can also include rivers, streams, canals, docks, beaches and other water bodies and features such as green roofs (Figure 2) walls.³ It is the urban elements of GI which are of particular relevance to this strategy.

1.9 Green infrastructure (GI) is a catch-all term used to describe all the features of the natural environment between and within our towns and cities. By providing GI we are able to enjoy the many “ecosystem services” that these features provide as part of a sustainable approach to the management of natural resources where multi-functionality becomes a key objective of good design. Ecosystem services are the benefits that people derive from nature.⁴

1.10 GI can be accessible or inaccessible, publicly or privately owned, managed or unmanaged, designated as open space or for nature conservation or not. GI includes all soil, vegetation and water. It does not include paved or sealed surfaces or buildings, but it does include features on buildings such as green roofs and green walls.

³ Landscape Institute on GI <https://www.landscapeinstitute.org/policy/green-infrastructure/>

⁴ Ecosystem Services <https://www.iucn.org/commissions/commission-ecosystem-management/our-work/cems-thematic-groups/ecosystem-services>

1.11 Nature-based Solutions (NbS) is a term used by the International Union for Conservation of Nature (IUCN) to describe actions that protect or restore nature for human wellbeing or biodiversity. NbS features are part of the GI network. Green infrastructure can be defined as the “network of green (soil and vegetation) and blue (water) spaces that provide ecosystem services.”⁵

1.12 Between 2009 and 2011 the UK National Ecosystems Assessment (UK NEA) analysed the natural environment in terms of the benefits it provides for society. It was found that our economy, health and wellbeing depend on the range of services provided by ecosystems and their components.

1.13 These include:

- Supporting services – those necessary for all others, including nutrient cycling and photosynthesis.
- Provisioning services – food, fibre and fuel.
- Regulating services – including clean water, clean air and climate.
- Cultural services – recreational, wellbeing, beauty and sense of place.

Multi-functionality is linked to spaces that provide the broadest range of ecosystem services.

1.14 The GI, ecosystem services, approach to land use planning, design, creation and maintenance enables us to gain more from the built environment, by conserving and restoring natural features and thinking about the widest range of functions, thereby ensuring benefits can be maximised. Sections 4 and 5 set out how that can be brought about. Good quality multifunctional GI requires an integrated approach that embraces many disciplines and all stakeholders. It must be considered at every level of the planning, design and management / maintenance process across all departments and disciplines, and is relevant at every scale of development, from major regeneration projects to individual buildings to site specific features such as tree pits. A positive and proactive approach will enable an area to make best use of its air, land and water, providing a better return on investment and happier and healthier residents and visitors.

1.15 There is a considerable, and rapidly growing, body of evidence that GI is essential for human health and wellbeing, provides habitat for wildlife and will help us to adapt to climate change. For a full review of the benefits

⁵ Nature-based Solutions <https://www.iucn.org/commissions/commission-ecosystem-management/our-work/nature-based-solutions>

of GI and key references and sources of information, see the Ecosystems Knowledge Network website.⁶

1.16 Given the range of benefits provided, the protection, creation, enhancement and maintenance of GI, should be a key consideration in all land use plans and projects.

1.17 GI is multi-functional and operates at different spatial scales, which means that its importance is often underestimated. The provision and maintenance of GI is the responsibility of many different authorities and landowners, which means that coordination, cooperation and collaboration is essential. There is also a wide spectrum of GI types, many of which are not included in conventional classifications of greenspace or nature conservation sites, which can lead to confusion about what should be prioritised. GI is rising up the political, legislative, social and environmental agenda, due to the burgeoning body of evidence for its benefits (see Chapter 2 for more detail on policy).

1.18 It is important that GI provides the widest range of benefits (ecosystem services). This means that

ecosystems must be protected and restored along with the microbes, plants and animals (biodiversity) that make ecosystems work. Biodiversity loss is now a major concern for civilization.⁷ The European Commission and the UK government is committed to halting overall biodiversity loss and are seeking biodiversity net gain/benefit in development.⁸ GI forms part of national

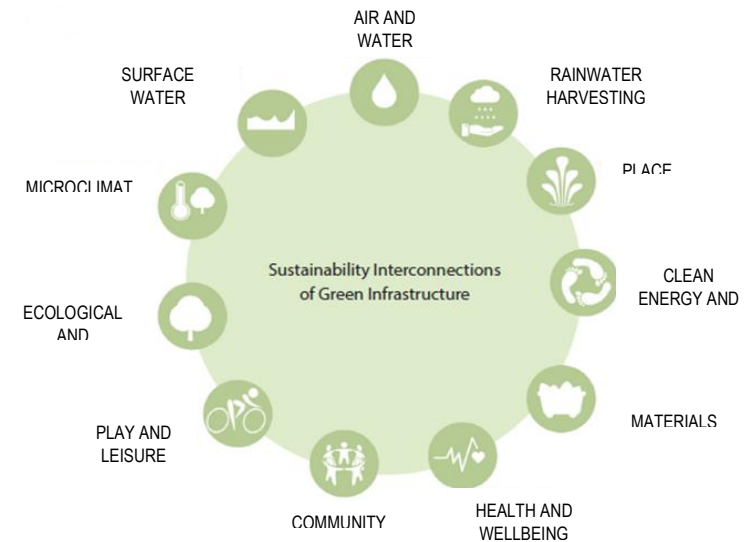


Figure 3. Interconnections of GI

⁶ Ecosystems Knowledge Network
<https://ecosystemsknowledge.net/resources/tools-guidelines/green-infrastructure>

⁷ Stockholm Resilience Institute on biodiversity loss
<https://www.stockholmresilience.org/research/research-news/2018-10-30-natures-steep-decline.html>

⁸ UK Government consultation on biodiversity net gain
<https://consult.defra.gov.uk/land-use/net-gain/>

policy as set out in Planning Policy Wales: Edition 10 and Welsh Government's Natural Resources Policy where it is regarded as a key mechanism for delivering the aspirations for ecological networks and creating natural and distinctive places. Figure 3 illustrates the range GI benefits.

1.19 Investment in GI benefits communities and provides a financial return. The prioritisation of green spaces in regeneration schemes may seem at odds with delivery of housing and growth targets, yet renewal and development can be an opportunity to “create places with more nature afterwards than before.”⁹



Street tree



Biodiverse extensive green roof



Green wall



Rain garden



Roof terrace



Allotment



Woodland



Beach

Figure 4. Various types of green infrastructure

⁹ Berkeley Group on biodiversity net gain
https://www.berkeleygroup.co.uk/media/pdf/0/k/The_Nine_Concepts_-_Making_space_for_nature_and_beauty.pdf

Across Swansea, in recent years we have increasingly seen the proponents of new developments viewing GI as a valuable, multi-functional asset, supporting the delivery of quality homes and neighbourhoods. It is important that this is continued and expanded upon with developers taking greater responsibility to use the full palette of GI options, as illustrated in Figure 4 , to demonstrate how they are addressing this issue as part of demonstrating net biodiversity benefit.

Benefits of Green Infrastructure

1.20 The components of GI have traditionally been valued for the amenity that they bring to the urban environment, that is, the way that they make peoples' surroundings more pleasant and their living and working environments more attractive. However, there is now a considerable, and growing, body of evidence of the wide range of benefits GI brings:

1.21 Environmental benefits:

- Adaption and mitigation to climate change i.e. cooling and shading and flood mitigation and creating micro-climate i.e. wind breaks.
- Creating habitat for wildlife, enhancing connectivity and supporting natural processes e.g. nutrient cycles.

- Reducing air and water pollution.
- Providing food.

1.22 Social and cultural benefits:

- Improving mental and physical health and wellbeing i.e. promoting physical exercise, dampening noise and lowering stress i.e. calming and inspiring.
- Facilitating social interaction i.e. multigenerational cohesion and creative play.
- Improving child development.
- Improving air quality by filtering particulates and absorbing gases.

1.23 Economic benefits:

- Saving in energy costs.
- Reduction on insurance claims e.g. from flooding
- Increased productivity.
- Increased property values.
- Increased footfall for businesses.
- Increased inward investment.
- Reduced pressure on infrastructure i.e. removal of carbon from the atmosphere, airborne particulates, interception of water run off.

1.24 More in-depth detail on the benefits of GI are provided in Appendix 1.

2 STRATEGIC CONTEXT

National GI Drivers

2.1 There is legislation, policy and guidance which supports the creation and maintenance of GI at both

national and local levels. The benefits of GI (as described in the previous section) and their relationship to national guidance and legislation are outlined in Table 1 below.

Wellbeing of Future Generations (Wales) Act 2015	Environmental (Wales) Act 2016	Schedule 3 Flood & Water Management Act 2010 Statutory Standards	Active Travel (Wales) Act 2013 Manual for Streets	Planning Wales Act 2015 Planning Policy Wales 2019
<ul style="list-style-type: none"> Places a legal duty on all public bodies to improve wellbeing. GI contributes to all wellbeing goals: <ul style="list-style-type: none"> o Prosperous o Reliant o Healthier o Cohesive communities o Vibrant culture o Globally responsible Healthy environment as a key principle of GI. 	<ul style="list-style-type: none"> Places a legal duty on the Council to protect and enhance biodiversity and maintain resilient ecosystems (the Section 6 Duty). Ecosystems services approach must be used in the consideration of all development. Resilience of ecosystem services considered against principles of diversity, condition, extent and connectivity of ecosystems and their adaptation to climate change. 	<ul style="list-style-type: none"> Gives duties to approve, adopt and maintain Sustainable Drainage Systems (SuDS) on the SuDS Approving Body (SAB). Developers of sites of 1 or more dwellings of 100m² or more are required to implement sustainable urban drainage solutions in line with 6 statutory standards which promote SuDS design which deliver benefits of multifunctional GI. 	<ul style="list-style-type: none"> Duty on the Council to promote provision for walkers / cyclists and sustainable development. Promotes multifunctional streets which achieve carbon reduction, health / air quality improvements, community pride / sense of ownership. Promotes well-designed streets in sustainable communities where people want to live and work now and in the future' 	<ul style="list-style-type: none"> Planning Wales Act links land management to sustainable management of natural resources. PPW guidance recognises GI as key to delivery of Placemaking and sustainable development. "GI is fundamental to shaping places, creating wellbeing and quality of spaces to live, work and play. It enhances the built environment when integrated appropriately and creatively." (PPW 6.2.4) "Development of GI is an important way for Local Authorities to deliver their Section 6 duty" (PPW6.2.2)

Table 1: National Legislation, Policy and Guidance

-
- 2.2 In addition to complying with the legislation described in the table, improving the quantity, quality and variety of GI in the city will contribute to compliance with other legislation which addresses air and water quality, climate change, surface water run-off, resilience planning, biodiversity, health and wellbeing (including mental and physical health) and social exclusion.

GI Drivers in Swansea

- 2.3 Swansea Council and Natural Resources Wales Corporate Plans both recognise that our city faces a number of challenges in the years ahead, one of which is climate change (with more heatwaves and surface-water flooding, air quality problems and biodiversity losses predicted). Locally appropriate, good quality GI will help to mitigate these challenges and reduce future costs. The national legislation shown in Table 1 is supported by local strategy, policy and guidance, as outlined in Table 2 below.

Swansea PSB Local Wellbeing Plan	Swansea Council Corporate Plan	Swansea Local Development (LDP) Plan and SPG	Swansea Council Strategies	Swansea Designations and Evidence
<ul style="list-style-type: none"> The Public Service Board (PSB) has embedded the Section 6 duty of the Environmental (Wales) Act 2016 into the Local Wellbeing Plan 2018. 'Working with Nature' is one of the plan's Wellbeing objectives. 	<ul style="list-style-type: none"> The Council has embedded the Section 6 duty into the Corporate Plan 2018 – 2022. Improving GI is one of the steps of the resilience objective. 	<ul style="list-style-type: none"> LDP supported by SPG promotes sustainable development and placemaking. Policy ER 3 – Strategic Green Infrastructure Network – requires development to explore all opportunities to maintain and enhance GI network at all scales. 	<ul style="list-style-type: none"> Biodiversity Action Plan / Nature Recovery Plan. Swansea Flood Risk Management Plan 2015. Air Quality Management Area Action Plan (2004) 	<ul style="list-style-type: none"> Quiet Area (designated under Noise Action Plan for Wales). Open Space Assessments (Fields in Trust and Accessible Natural Greenspace provision) and emerging Open Space Strategy. Air Quality Management Areas Natural Resources Wales South West Wales Area Statement.

Table 2: Local Legislation, Policy and Guidance

3 VISION, STRATEGIC OBJECTIVES & PRINCIPLES

Vision

- 3.1 **A city with high quality multi-functional green infrastructure delivers resilience, prosperity, nature, health, well-being and happiness to the citizens and visitors of Swansea.**

Strategic Objectives

- 3.2 Each strategic objective contributes **directly** to any elements of the vision and **indirectly** to all the elements of the vision.
- Provide a high quality nature rich environment.
 - Create a distinctive destination city.
 - Ensure the city is resilient to the impacts of climate change.
 - Ensure stakeholder and community involvement in the design and maintenance of GI.
 - Create a skilled and knowledgeable local economy to deliver and maintain GI.
- 3.3 The vision and strategic objectives were developed following significant engagement with stakeholders from the local community, Councillors, local businesses, visitors, the public, private and third sectors. These conversations established an overwhelming desire for more nature in the city, with stakeholders talking about

the contribution nature makes to their personal mental and physical wellbeing and to their desire to live, work and visit the Swansea Central Area.

- 3.4 The engagement process recognised a need:
- to build local knowledge and skills around the opportunities and benefits of GI.
 - to provide training for all involved in the design development and maintenance of GI.
 - for robust local policy and guidance on GI supported by cross sector leadership.
 - for partnership working to implement GI projects and share learning.
 - for community involvement in the good design of GI schemes.
- 3.5 The strategy's strategic objectives have been designed to address these needs. Performance indicators and targets have been set to ensure the vision is achieved and monitor progress.
- 3.6 Applying the five principles of GI to the design process (see paragraph 3.10) will ensure the social, economic and environmental benefits of GI are maximised and the strategy's goals are achieved.
- 3.7 Table 3 below sets out the steps and actions that will need to be taken to achieve each strategic objective

along with performance indicators and targets which have been set to evaluate and measure progress.

3.8 Research findings indicate that a target of 20% to 25% canopy cover within the Swansea Central Area by 2044 is ambitious yet realistic.¹⁰ An increase of terrestrial GI to 26% by 2030 requires Swansea Council, Natural Resources Wales and their partners to double the amount of GI in 10 years which is again ambitious but realistic.

3.9 The intention is to increase resilience, prosperity, health, wellbeing and happiness for citizens and visitors and to ensure that the GI network complements and improves the existing natural and built environment. This vision and strategic objectives will contribute to delivering the Swansea's Local Well-being Plan, Local Development Plan (LDP) and Swansea Central Area Regeneration Framework.

Strategic Objective	Steps and Actions	Performance Indicator	Target
Provide a high quality nature rich environment	<ul style="list-style-type: none"> Review opportunity for increasing canopy cover across the Swansea Central Area and map potential to reach 25%. Review opportunity for increasing biodiversity across the Swansea Central Area and map potential. Ensure GI is built into schemes from the outset. Become a Trees in the Townscapes champion by officially endorsing the 12 Trees in the Townscape principles¹¹ in Swansea Central Area. 	<ul style="list-style-type: none"> Increase terrestrial GI Increase canopy cover. Increase biodiversity. GI to achieve the strategy's five GI principles by being multifunctional, biodiverse, adapted for climate change, healthy and smart and sustainable. 	<ul style="list-style-type: none"> Increase terrestrial GI to 26% by 2030. Increase canopy cover to 20 - 25% by 2044.

¹⁰ Doick, K.J, Davies, H. J, Moss, J., Coventry, R., Handley, P., Vaz Monterio, m., Rogers, K., Simkin, P.: *The Canopy Cover of England's towns and Cities: baselining and setting targets to improve human health*

and wellbeing Conference Proceedings of TPBEIII. Urban Trees Research Conference 5-6th April 2017 Institute of Chartered Foresters, Edinburgh

¹¹ <http://www.tdag.org.uk/trees-in-the-townscape.html>

Strategic Objective	Steps and Actions	Performance Indicator	Target
	<ul style="list-style-type: none"> Encourage partners to apply the 12 Trees in the Townscape principles to all developments 	<ul style="list-style-type: none"> Number of green roofs installed to GRO code requirements.¹² 	
Create a distinctive destination city	<ul style="list-style-type: none"> Build GI into Swansea Central Area improvement programmes and grants. Ensure the Green Space Factor tool (GSF tool) is used on Council led developments. Encourage developers and land managers to improve GI. Encourage the use of GSF tool by partners and on non Council led developments. Investigate and attain wildlife and well-being friendly city schemes such as; Biophilic City¹³, National Park City¹⁴, UNESCO Biosphere Reserve¹⁵. Report and monitor improvements to economic, social and environmental welling in the Swansea Central Area. 	<ul style="list-style-type: none"> Number of GI projects enabled by the Target Regeneration Investment (TRI) programme or similar. Monitor using mapping data. 	<ul style="list-style-type: none"> Increase terrestrial GI to 26% by 2030. Increase canopy cover to 20 - 25% by 2044.
Ensure the city is resilient to the impacts of climate change	<ul style="list-style-type: none"> Design and implement GI solutions. Develop Swansea as a sponge city¹⁶ through implementation of good multifunctional SuDs. 	<ul style="list-style-type: none"> GI solutions to achieve the strategy's five GI principles by being multifunctional, biodiverse, adapted for climate change, 	<ul style="list-style-type: none"> Increase terrestrial GI to 26% by 2030. Increase canopy cover to 20 - 25% by 2044.

¹² GRO Green Roof Code 2014 <https://livingroofs.org/wp-content/uploads/2016/03/grocode2014.pdf>

¹³ <https://www.biophiliccities.org/>

¹⁴ <https://www.nationalparkcity.org/>

¹⁵ <https://en.unesco.org/biosphere>

¹⁶ <https://www.worldfuturecouncil.org/sponge-cities-what-is-it-all-about/>

Strategic Objective	Steps and Actions	Performance Indicator	Target
	<ul style="list-style-type: none"> • Monitor the success of GI solutions and adapt design to maximise resilience where necessary. • Create Baselines for measuring the success of GI solutions 	<p>healthy and smart and sustainable.</p> <ul style="list-style-type: none"> • Working with partners to assess all available data for monitoring. 	
Ensure stakeholder and community involvement in the design and maintenance of GI	<ul style="list-style-type: none"> • Involve communities in the design and development of GI • Work in partnership with community groups to identify sites and plant trees to increase canopy cover. • Work with community groups to identify innovative ways to maintain GI. 	<ul style="list-style-type: none"> • Number of GI projects incepted / co-produced and/or maintained by stakeholders. 	
Create a skilled and knowledgeable local economy to deliver and maintain GI	<ul style="list-style-type: none"> • Work with industry experts to build local knowledge base. • Develop interactive webpages for Strategy. • Develop a plan for communicating GI development and successes. • Work with partners to design, develop and provide training. • Design and deliver events / contunited professional development to build GI skills and raise awareness. • Promote best practices through local case studies and pilots. 	<ul style="list-style-type: none"> • Number of events to raise awareness of green infrastructure for businesses / organisations to build the local green infrastructure sector. • Number of SME's specialising in delivery and maintenance of GI. 	

Table 3: Actions and Targets for achieving the Strategic Objectives

Principles of GI

3.10 The five principles (Figure 5) should be considered by all who plan, design, build, vegetate and maintain green infrastructure. By following these principles, interventions maximise the number and intensity of benefits for people and wildlife. Applying these principles will successfully achieve the strategy's vision.

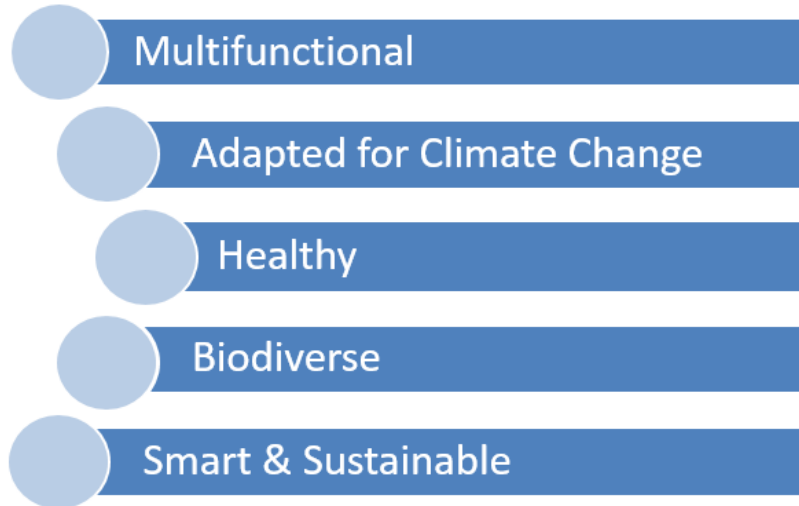


Figure 5. Principles of GI

Multi-functional

3.11 Nature itself is multi-functional. A natural area simultaneously provides a full range of ecosystem services. Humans tend to modify land use for limited purposes – for example, an arable field produces food, or a car park stores cars. The conventional approach is for specialist individuals or organisations or departments to provide a facility that does one thing well. However it is important, given the scale of the difficulties facing urban areas, which are likely to be exacerbated by climate change and biodiversity loss that every effort is made not to miss opportunities to make features multi-functional. Although there can be trade-offs, more often than not, extra provision of GI elements does not interfere with the primary purpose and the return on any extra investment is positive as illustrated in Figure 6.

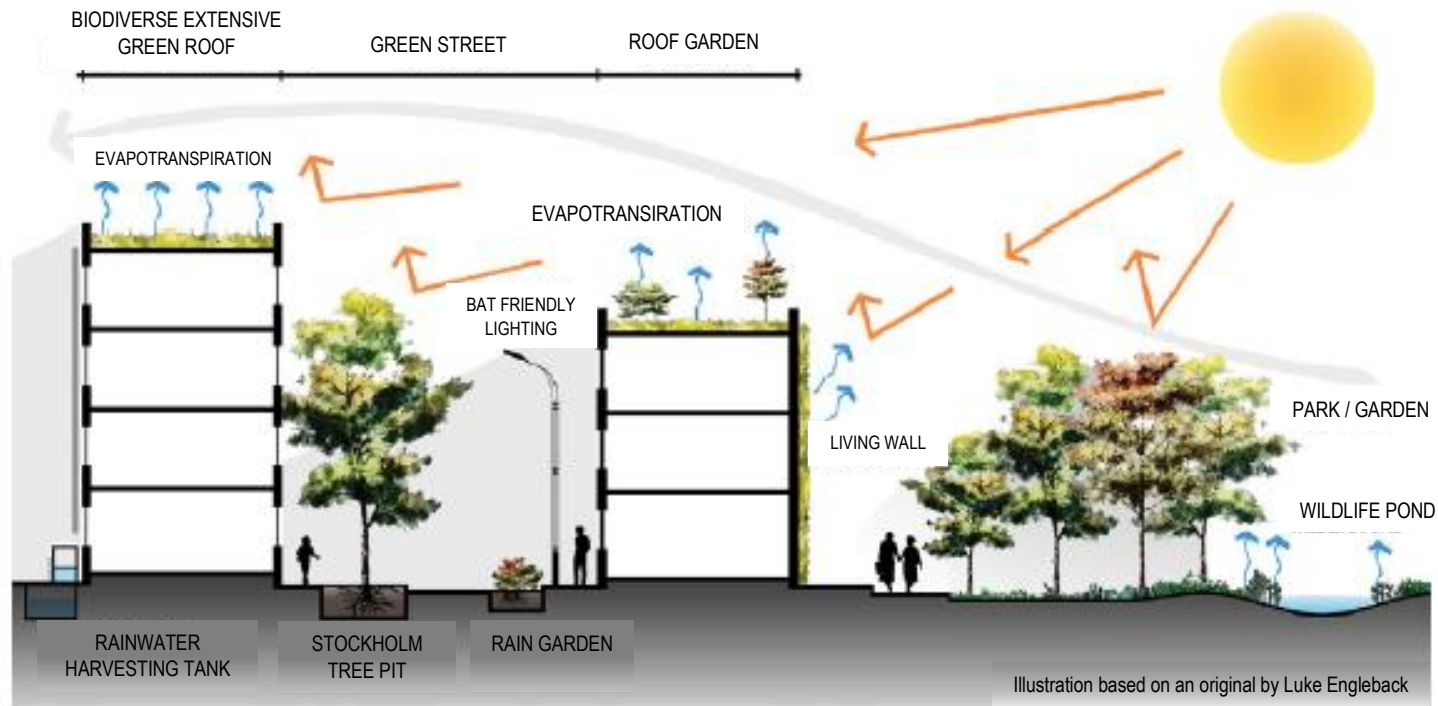


Figure 6. Green infrastructure improves microclimate

3.12 A cycle path can be an ecological as well as a transportation corridor. Extra tree planting in a car park can improve amenity, provide summer shade, sustainable drainage and biodiversity. Sometimes there are synergistic effects. An example is a biosolar roof (photovoltaics combined with a green roof) where a cooler microclimate increases the output of the photovoltaics.

3.13 Multi-functionality is also illustrated in Appendix 2 in the petal diagrams, designed to demonstrate the contribution of various ecosystem services in GI typologies. The more balanced and bigger the petals the more multi-functional the GI type.

Adapted for Climate Change

3.14 According to the Met Office Hadley Centre Climate Programme, climate change is predicted to lead to sea level rises, warmer and wetter winters and hotter and drier summers.¹⁷ Summer heatwaves are likely to be more frequent and more intense. Heavier downpours, even in summer, are likely to lead to flash flooding. Even if greenhouse gas emissions and associated global

warming can be limited, some increases in heatwaves and surface water flooding will occur. For example Figure 7 illustrates the benefits of sustainable urban drainage systems as part of GI solutions to mitigate for and adapt to the impacts of climate change.

3.15 In general, an increase in GI will be a cost-effective way of adapting to these changes. More specifically, features that provide shade and evaporative cooling in summer (Figure 8 and 9), close to where people live and work and features that intercept and filter rainwater and surface water run-off, should be incorporated into schemes.

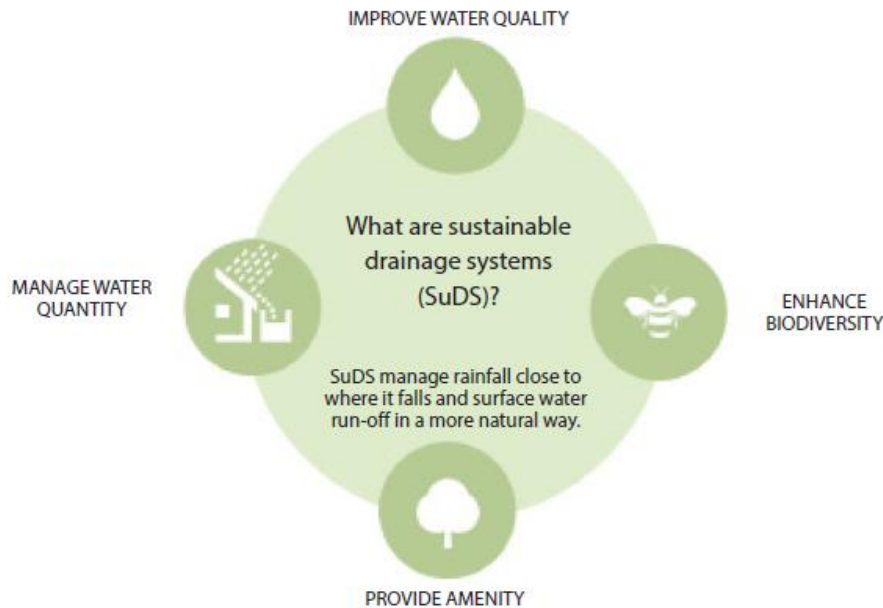


Figure 7. What are SuDS?

¹⁷ <https://www.metoffice.gov.uk/research/collaboration/ukcp/derived-projections>



Figure 8. Infra-red image of masonry wall (left) and green wall (right)

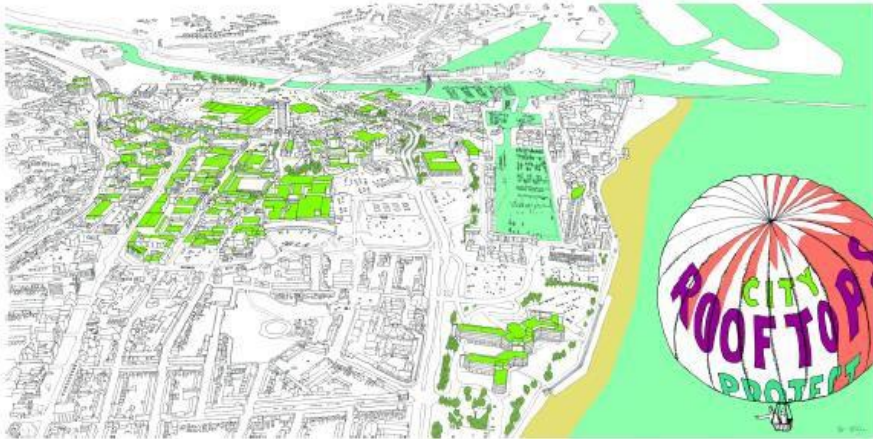


Figure 9. Potential for green roofs across Swansea city centre produced by Andrew Nixon/Powell Dobson Architects for the CIVIC 2014 Exhibition at the Mission Gallery

Healthy

3.16 For good health and a sense of wellbeing, people need clean air, clean water, food, exercise, contact with nature and places to socialise, play and learn. GI can provide these benefits. Conventional, readily accessible greenspace is important, however other GI features, even if simply overlooked like green walls, can be important for mental health. Unseen features, like extensive green roofs for example, may be providing relief in a heatwave, filtering water, or absorbing air pollution. The precise location and specific design of

green infrastructure can be an important factor with respect to providing health benefits (Figure 10).



Figure 10. Cycle path as a green corridor

Biodiverse

3.17 Biodiversity is the whole range of living things and systems on earth, it includes ecosystems, animals, plants, microbes and the genetic variation between them. All life depends on biodiversity and ecosystems function better when high biodiversity is maintained. In responses to continuing losses, Natural Resources Wales has recently set out a fresh approach to

conserving biodiversity, named 'Vital Nature'¹⁸ sets out priorities for protecting and restoring Wales' biodiversity, the variety of habitats and species and the ecosystems they depend on. Central to the report is the principle that everyone's wellbeing depends on a healthy environment, which in turn depends on healthy biodiversity

3.18 Swansea has a Local Biodiversity Action Plan (LBAP).¹⁹ There is a strong emphasis on partnership, engagement and learning in the LBAP. Urban wildlife referred to includes bats, song thrush, bumble bees, mason bees, butterflies and stag beetle, amongst others.

3.19 Wherever GI occurs in Swansea, consideration should be given to how biodiversity can be maintained and enhanced. Planting schemes, native species or species with a documented value for wildlife, where justified, should be used, along with appropriate habitat features such as decaying logs, nesting and roosting boxes for birds and bats and refugia for invertebrates (bug hotels) and wildflowers.



Figure 11. Mason bees using bee

Smart & Sustainable

3.20 A transition in the economy, away from fossil fuels, in order to avoid the worst effects of climate change, is essential and the Welsh Government has published a decarbonisation programme.²⁰ In addition, reductions in pollution and waste, with more recycling and waste increasingly used as a raw material (for example, the circular economy) is sought.²¹

¹⁸ <https://naturalresources.wales/about-us/news-and-events/news/nrw-sets-out-a-fresh-approach-to-wildlife-in-wales/?lang=en>

¹⁹ Swansea LBAP <https://www.swansea.gov.uk/article/10113/Swansea-Local-Biodiversity-Action-Plan>

²⁰

<https://gov.wales/topics/environmentcountryside/climatechange/emissions/?lang=en>

²¹ Circular economy <https://www.ellenmacarthurfoundation.org/circular-economy/concept>

- 3.21 The provision and maintenance of urban GI should support these efforts, helping to save energy, working alongside efforts to provide energy from renewable sources (for example solar and biogas from green waste) and using recycled materials and recycled green waste for growing media.
- 3.22 Vehicles and equipment used to build and maintain GI should wherever possible run on renewable energy. GI should be, wherever possible, low maintenance. Also wherever possible, GI should not rely on artificial irrigation and where irrigation is required, consideration should be given to using harvested rainwater. Smart technologies should be used to monitor and share data with practitioners, the community and education institutions. This information might include energy and water consumption and biodiversity records. Staff working on the maintenance of GI should receive appropriate training and support.

Cross-Disciplinary Working

- 3.23 Tackling the causes and effects of issues such as biodiversity loss and climate change requires a radical step change in approach across all sectors, and this step change must occur in the short term. The conversations required to deliver quality GI provide a well-timed opportunity to increase the skills and knowledge capacity needed to achieve this. Culture change will be required across organisations and our partners to work together in an innovative and collaborative way to ensure that development is resilient and adaptable to climate change. Achieving cross-sector agreement to the principles in this green infrastructure strategy is key to the delivery of the joint vision for Swansea Central Area (Figure 12).



Figure 12. Cross-disciplinary and partnership working required to deliver the vision for quality GI.

The Principles and the Green Space Factor tool

3.24 The GSF tool (Appendix 3) provides a useful and simple way to explore the function and benefits of GI and ensure that these principles are embedded into the early

stages of the development and design process. It provides a simple and clear way to navigate the many overlapping and interrelated issues.

4 SWANSEA'S GREEN INFRASTRUCTURE

Setting

4.1 The Swansea Central Area lies in an attractive coastal location. It is bordered by three wildlife corridors which provide oases of nature and tranquillity close to the heart of the city; the Swansea Bay Wildlife Corridor, the River Tawe Wildlife Corridor and the Hillside Wildlife Corridor. One of the aims of this Strategy is to create connections, both for people and wildlife, from green spaces within the central area to these surrounding wildlife corridors.

4.2 The **Swansea Bay Wildlife Corridor** (Figure 13) is located to the immediate south of the City and sweeps for 8 kilometres to the west. Its bounded by a promenade which is accessible to pedestrians and cyclists, who enjoy splendid views and fresh air. The whole bay is a Site of Importance for Nature Conservation (SINC)²² and the western half of the bay is a Site of Special Scientific Interest (SSSI), an important intertidal habitat for migratory birds.

4.3 The eastern boundary of the Swansea Central Area is bordered by the **River Tawe Wildlife Corridor** (Figure 14), which has had a barrage at the river mouth since 1992. The Tawe Wildlife Corridor supports a surprising

diversity of wildlife including otters, herons and kingfishers. It has good access for walkers and cyclists along its whole length, linking to the Swansea Vale Nature Reserve south of the M4, and to the Brecon Beacons beyond. Across the Tawe to the immediate south east is the SA1 Swansea Waterfront district. Along the northern edge of the docks, on the opposite side of the river, are new commercial and education facilities.



Figure 13. Swansea Bay Wildlife Corridor

4.4 North of Fabian Way, which is the main highway access to the east of the city, is primarily a residential area. To the north of that is Kilvey Hill, which provides good views of the city centre. Kilvey Hill is covered with plantation

²² Swansea Bay SINC <https://www.swansea.gov.uk/swanseabay>

woodland, grassland, heathland and wetlands. Part of it is managed as Community Woodland. To the immediate east of Kilvey Hill, is Crymlyn Bog National Nature Reserve, another SSSI.²³



Figure 14. River Tawe Wildlife Corridor

- 4.5 The **Hillside Wildlife Corridor** to the north of the city centre provides a linear strip of woodland, heathland, grassland and wetland habitat stretching from the Tawe River Corridor in the east to Cockett Valley and the open countryside in the west. It offers spectacular views over the City Centre, Swansea Bay and on a clear day across the channel to Devon. The corridor connects Bryn-y-Don Park²⁴ with the Rosehill Quarry Community Park²⁵ and

the Mayhill Washing Lake and Community Food Garden. Beyond the corridor to the north west of the central area are residential suburbs, including Townhill and Mayhill.

- 4.6 To the west and south-west of the central area is Sandfields a residential area of predominantly terraced properties which includes the Vetch Veg allotments and open space sited on the former Swansea City FC ground.²⁶

Existing Assets

- 4.7 Swansea Central Area was badly damaged by bombing in 1941. The 1950s and 1960s saw a period of significant post-war reconstruction (Figure 15), which has left a legacy of spaces dominated by sealed surfaces, including many large car parks. This makes the area vulnerable to surface water flooding and the urban heat island effect. There are street trees, with large trees in selected locations (church yards and Castle Square) however tree canopy cover is patchy. There is very little semi-natural vegetation, with ground cover, where it occurs, usually dominated by amenity grassland and

²³ Crymlyn Bog <https://sac.jncc.gov.uk/site/UK0012885>

²⁴ Bryn Y Don Park <https://www.swansea.gov.uk/brynydon>

²⁵ Rosehill Quarry <https://www.opengreenmap.org/greenmap/swansea-green-map/rosehill-quarry-1288>

²⁶ Veg Vetch <http://www.sustainableswansea.net/vetch-veg.html>



Figure 15. Swansea at dusk

non-native shrubberies. There is however semi-natural vegetation around the dunes along the beach front and scrub and other rough vegetation along the River Tawe. The southern part of the central area is very different in character, with the large area of open water of the former dock in the Maritime Quarter and the lawn and trees surrounding the Council's Civic Centre. Figure 16 and 17 illustrate existing GI assets in in and around the central area and Table 4 shows cover of various categories of GI in Swansea Central area. Overall terrestrial GI cover in Swansea Central Area is 13%.

Category of GI	Area (hectares)	%
Amenity greenspace	9.8	7
Cemeteries & Churchyards	0.4	<1
Civic greenspace	3.3	2
Semi-natural	4.2	3
Total terrestrial GI (total of areas above)	17.7	13
Water (marina)	7	5
Total GI (including water)	24.7	18
Total Swansea Central Area	133.4	100

Table 4: GI in Swansea Central Area by category, based on Ordnance Survey map data, Jan 2019, updated via ground survey October 2020

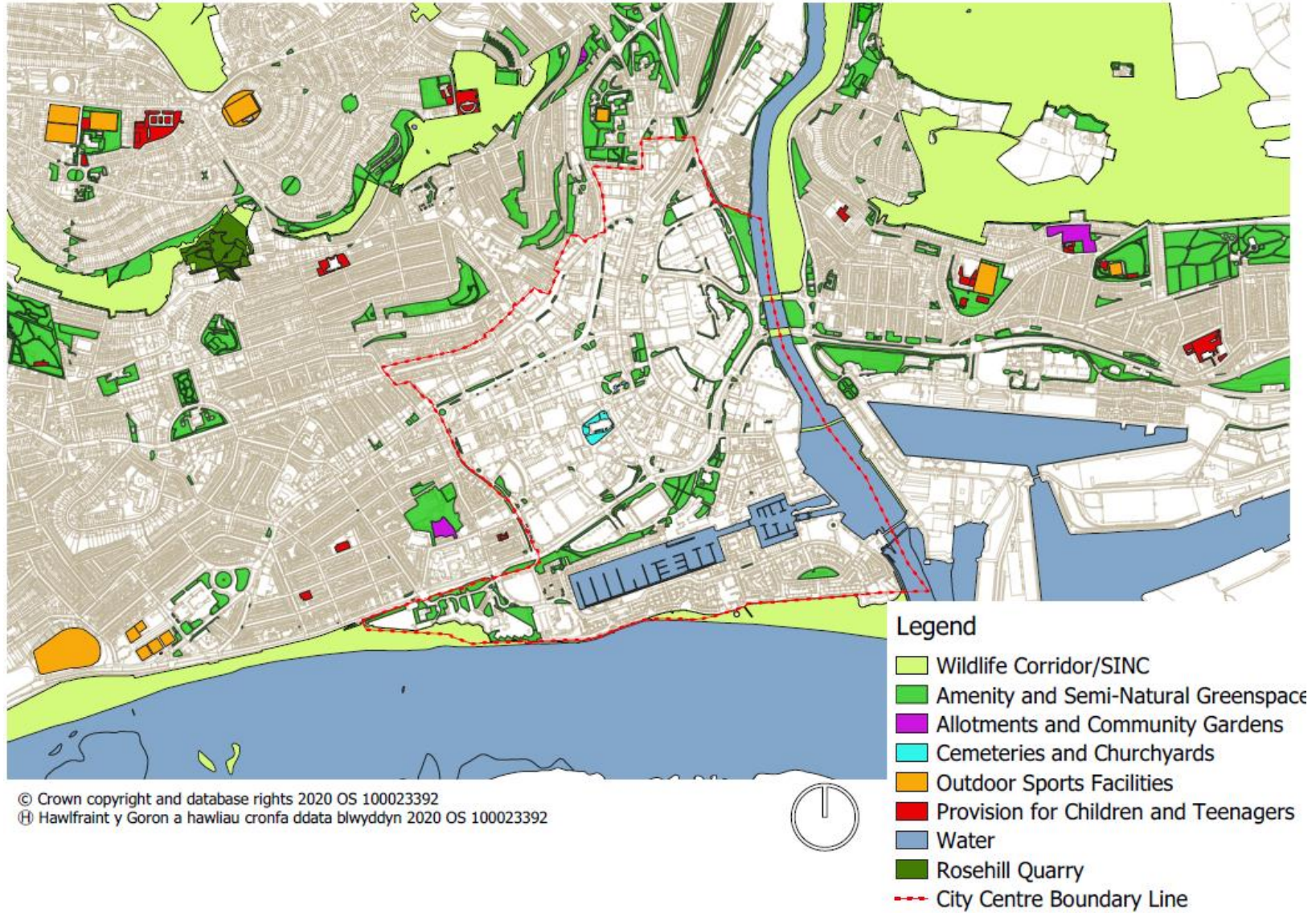
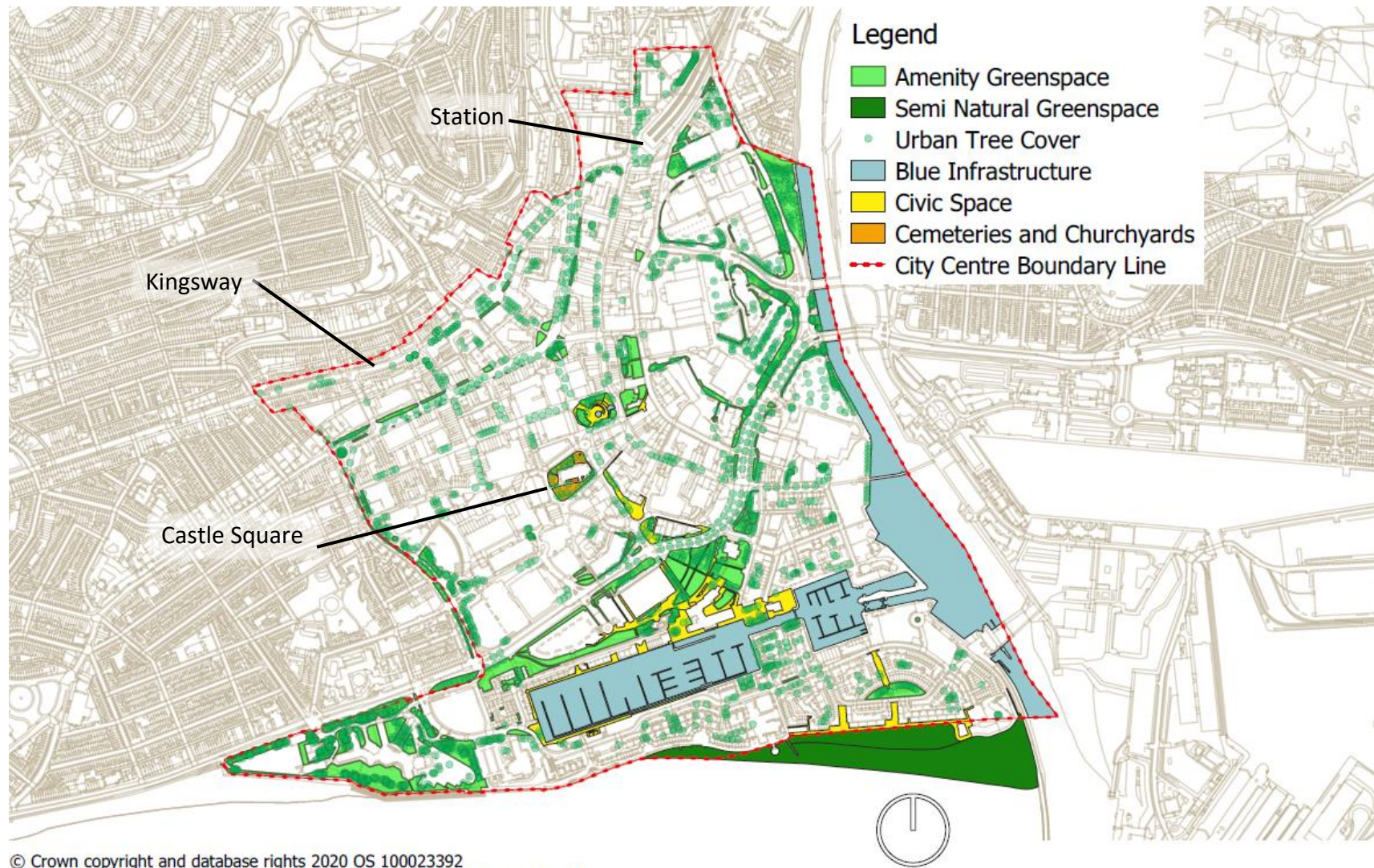
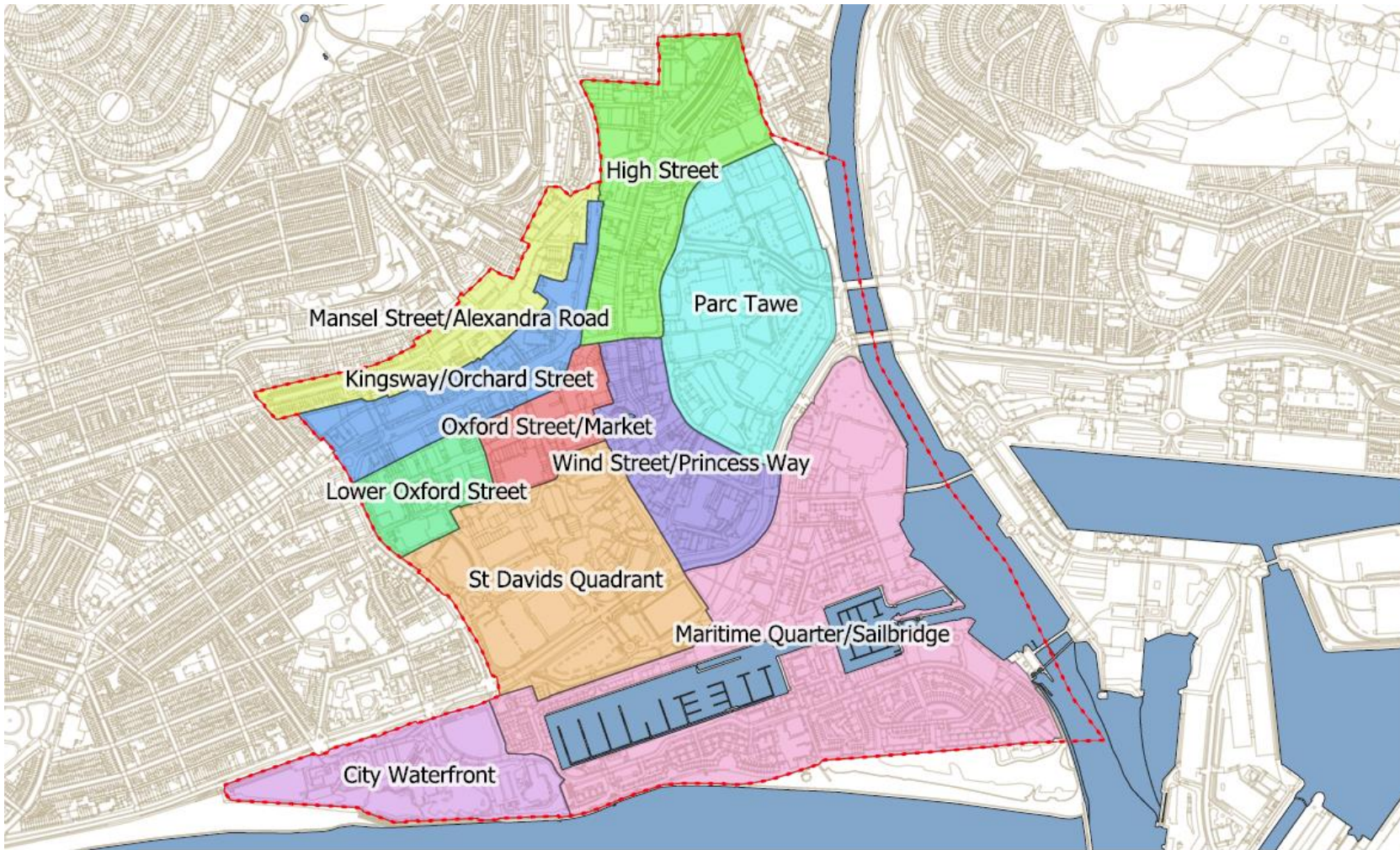


Figure 16. Existing Assets



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Figure 17. Existing Green Infrastructure in Swansea's Central Area



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Hawlfraint y Goron a hawliau cronfa ddata blwyddyn 2020 OS 100023392



Figure 18. The 10 Swansea Districts

- 4.8 The Swansea Central Area Regeneration Framework divides the central area into 10 districts, as shown in Figure 18. The districts are described in the following paragraphs.
- 4.9 The High Street area is the key route from the railway station south towards Kingsway to the west and Wind Street to the south east. Its importance as a retail street has declined over the years following the establishment of the Quadrant Shopping Centre. There are improvements underway associated with the Urban Village scheme,²⁷ whilst a new high rise student accommodation block is being constructed on the former Mariner Street surface car park site. The High Street area is heavily built-up - there are a few pockets of vegetation, including 'wasteland' vegetation of self-established trees and shrubs at the rear of the Grand Hotel. There are street trees along some sections of High Street and occasional ornamental planters and amenity tree plantings elsewhere, including a grassed areas here. The Strand runs past the multi-storey car park and grassed area and trees outside of Alexandra House.
- 4.10 Wind Street and Princess Way continue south from High Street. This is a densely developed commercial and

residential area with bars, clubs and restaurants. Wind Street itself has an almost continuous avenue of London plane trees, planted on the eastern side of the street. At the northern end of this area is Castle Square and Swansea Castle. Castle Square (Figure 19) is mainly paved and includes a large water feature, and mature trees around the perimeter of the square, including Norway maple, birch and cherry with amenity grassland and shrubberies beneath. Swansea Castle has amenity grassland within its curtilage. There are hanging baskets and ivy is growing on the castle walls in a few places.



Figure 19. Castle Square

²⁷ Urban Village <https://www.coastalha.co.uk/Pages/Next-phase-of-Urban-Village-development-given-green-light.aspx>

4.11 Parc Tawe is a retail park located on a former dockland area to the south-east of High Street. It is dominated by large retail warehouse type buildings served by surface level car parks. The car parks have shrubberies planted with non-native ornamental species and there are lines of trees, mainly maples, with some lime and whitebeam. Where Parc Tawe meets the River Tawe, there are two highway crossings and the river bank is urbanised as a walkway. However semi-natural vegetation occurs on the river banks extending northwards.

4.12 To the south of Parc Tawe on the opposite side of Oystermouth Road, is the Maritime Quarter. This is the largest district within the central area, consisting of residential and commercial development around the Tawe Basin, formerly part of the Swansea Docks and now used as a marina. There are shrubberies and trees (including pines) around the Sainsbury's supermarket car park. Travelling west there is an open area of amenity grassland in front of Museum Green leading on to the district's largest green space within the curtilage of National Waterfront Museum. Both green spaces consist of amenity grassland, birch trees and shrubberies planted with ornamental species. In addition, there are tree plantings along Oystermouth

Road and amenity grassland and ornamental plantings by Fisherman's Way. Just outside the Maritime Quarter, to the south and close to the river mouth, is a small area of sand dunes managed as a nature reserve.

4.13 West of the Maritime Quarter, is the City Waterfront. This consists of the Civic Centre, library, hotel and associated car parks. The landscape around the Civic Centre is amenity grassland, mature stone pines, and maples with shrubberies alongside.

4.14 Just beyond the Civic Centre, on the beach, is an artificial dune project,²⁸ designed to create habitat and to reduce the amount of sand blowing onto the promenade.

4.15 St Davids and the Quadrant is a commercial area to the north of Oystermouth Road and the Maritime Quarter. It is dominated by car parks and commercial / residential buildings. During 2020 the area immediately south and north of Oystermouth Road forms part of the construction site for regeneration proposals at Swansea Central. To the north of the Tesco supermarket and around the edges of the Tesco car park are lines of trees. Other greenspaces in this area are the lawns and trees around St David's Priory Church and St Mary's

²⁸ Sand dune project, Swansea Bay
<https://www.coastalha.co.uk/Pages/Next-phase-of-Urban-Village-development-given-green-light.aspx>

Churchyard, which includes a number of fine mature trees, including London plane, and amenity grassland. The churchyard pre-dates the commercial development that surrounds it.

4.16 To the north of St David's Church is the Oxford Street and Market area which is also one of the city's main commercial and retail areas. GI is limited to street trees (mostly London plane). The Lower Oxford Street area is a continuation of the commercial and residential development associated with Oxford Street. There are street trees, including Norway maple and London Plane in a few locations, although canopy cover is fragmented.

4.17 Kingsway (Figure 20) and Orchard Street is another mixed commercial area to the north of Oxford Street. Prior to 2019 there were street trees in a few locations, and canopy cover was patchy with mature trees confined to pockets such as that at Mount Pleasant Baptist Church. However during 2019 the Council commenced the construction of the Kingsway Urban Park project which included a more pedestrian friendly environment, with wider footways and significant street tree planting.

4.18 Mansel Street (Figure 21) and Alexandra Road are located to the north of Kingsway and Orchard Street. This is a mixed commercial / residential area with retail and professional services fronting the streets. Although

most rear gardens are covered with extensions, there are some that retain vegetation. There are street trees, including lime and whitebeam, however canopy cover is intermittent.

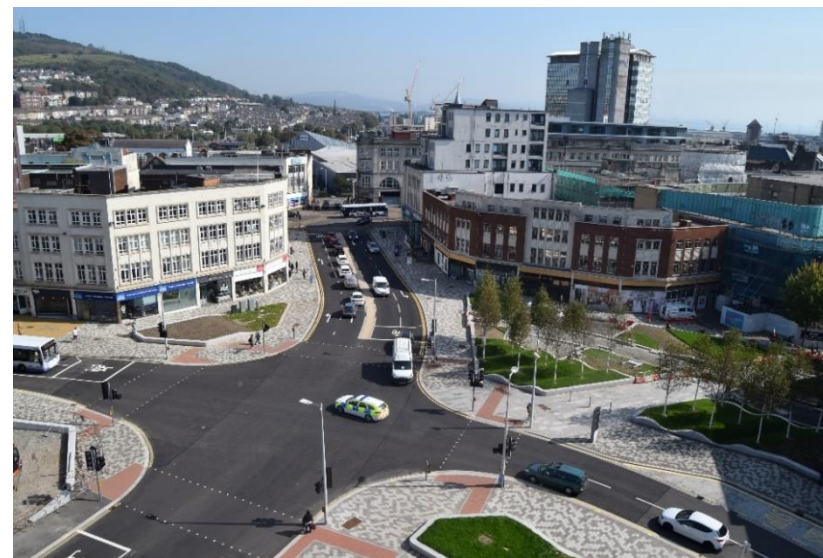


Figure 20. Recent redevelopment of Kingsway

4.19 Swansea as a whole has historically experienced losses in greenspace through redevelopment and regeneration projects and a decline in biodiversity as a consequence. Increased traffic has resulted in a deterioration in air quality and poor water quality in the Lower Tawe and Swansea Bay adjoining the central area. People living



Figure 21. Green suburbs to the north of Kingsway

next to major highways suffer from noise pollution²⁹ whilst those living in the central area north of Oystermouth Road do not live within easy reach of a substantial accessible greenspace as defined by Fields In Trust³⁰. Countryside Council for Wales (now part of Natural Resources Wales), recommended that no person should live more than 300m from their nearest natural greenspace³¹. This is roughly the equivalent of a six-minute walk. The proposals outlined in this strategy

²⁹ Environmental challenges in Swansea
<https://www.swansea.gov.uk/article/30953/The-natural-environment-is-healthy-and-resilient>

³⁰ Fields in Trust <http://www.fieldsintrust.org/>

will help reduce inequalities in access to greenspace. Swansea Central Area's resident population of approximately 10,000 (swollen daily by workers and visitors), includes some of the most deprived and vulnerable people in Wales.³²

Proposals and Redevelopment Initiatives

- 4.20 The Swansea Central Area Regeneration Framework (2016) and the Swansea Local Development Plan (2019) include proposals and redevelopment initiatives which have the potential to include GI. These are described in brief here and shown in Figure 22.
- 4.21 A number of the locations for these proposals and initiatives are essential elements of the proposed Green Artery and wider GI network. Potential GI enhancements should be considered from the outset in any redevelopment and refurbishment schemes and it is important that every opportunity is taken at the initial design stage to maximise the area of soil, water and vegetation created both at ground level, but also on buildings.

³¹ <http://www.teebweb.org/wp-content/uploads/2013/01/Natural-Spaces-and-Health-Mapping-Accessible-Natural-Greenspace-in-Wales-UK.pdf>

³² PPW Technical Advice Note 16 Sport Recreation and Open Space
<https://gov.wales/sites/default/files/publications/2018-09/tan16-sport-recreation-open-space.pdf>

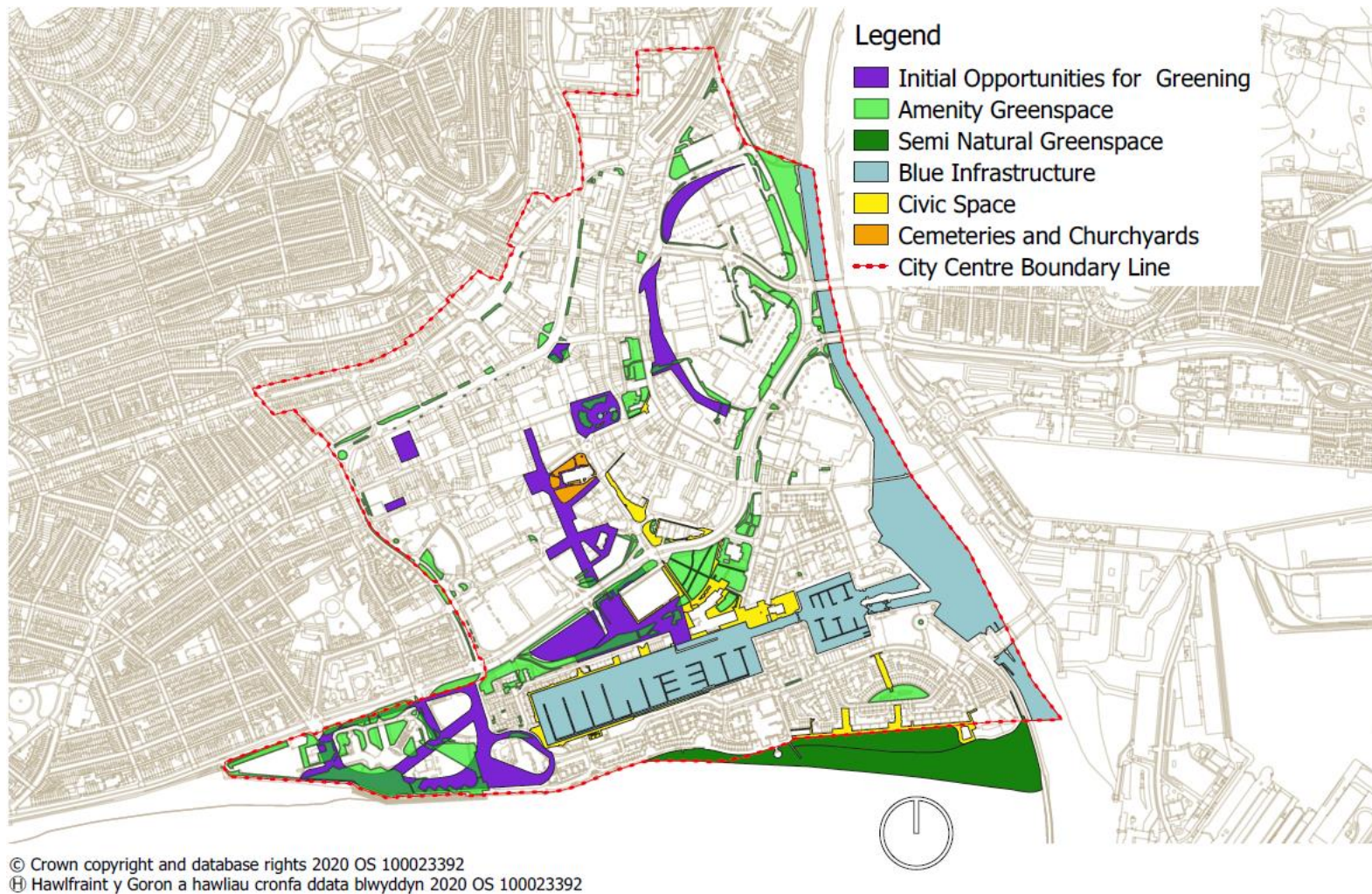


Figure 22. Opportunities for greening

4.22 At the heart of the Swansea Central Area's GI network will be the Green Artery (see Figure 25). The proposal is set out in the Swansea Central Area Regeneration Framework (2016).³³ The Green Artery will be a GI corridor connecting Swansea Station in the north to the Maritime Quarter in the south, making the centre of Swansea more permeable to both people and wildlife. Within the Green Artery, pedestrians and cyclists will have priority. From the community engagement there was a strong mandate for nature in the city, the prominence of which is illustrated in Figure 23.

4.23 Interventions along High Street will connect the station with Castle Square, where there will be an overall reduction in sealed surfaces. Heading south from Castle Square, connections will be made with St Mary's Church, St David's Church and across Oystermouth Road via a new landmark bridge to the new Coastal Park. From the Coastal Park it will be a short walk to other destinations in the Maritime Quarter, the beach and Waterfront. The Green Artery will be a primary focus, however green links will be made with Oxford Street and Kingsway to the west and Parc Tawe and the River Tawe to the east, with other arms of the GI network extending to the natural environment on the outskirts of the city, including,

the Tawe Riverside, Hillside and Swansea Bay wildlife corridors

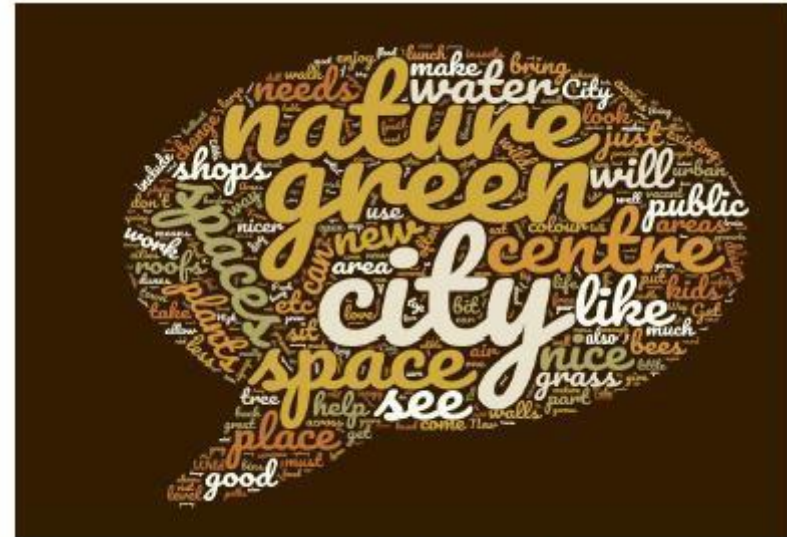


Figure 23. Opportunities theme 'word cloud' from the community engagement

4.24 As well as the Green Artery itself, GI interventions can be made anywhere in the city, as opportunities arise through redevelopment and also through routine repair and maintenance or by retrofitting features. There may also be locations, identified through future GI audits or ecosystem services analyses, where small interventions can be identified that can have a disproportionately large

³³ Swansea Central Area Regeneration Framework 2016
<https://swansea.gov.uk/citycentreframework>

impact, including, for example, tree and wildflower planting, rain gardens, green roofs and green walls.

4.25 The Swansea Central Phase 1 and 2 schemes will make a substantial contribution towards GI. Swansea Central Phase 1 includes the construction of a new arena, adjacent car park with a rooftop coastline park and green walls. A bridge will connect to the north side Oystermouth Road and Swansea Central Phase 2. Phase 2 will incorporate mixed use development to complement the St Mary's and St David's Church and to connect to Whitewalls and Castle Square (via Caer Street).

4.26 In Oxford Street there will be opportunities for urban greening on the Oxford Street School site. There will also be new public spaces, and pockets of public realm in the surrounding streets with opportunities for greening.



Figure 24. Oxford Street

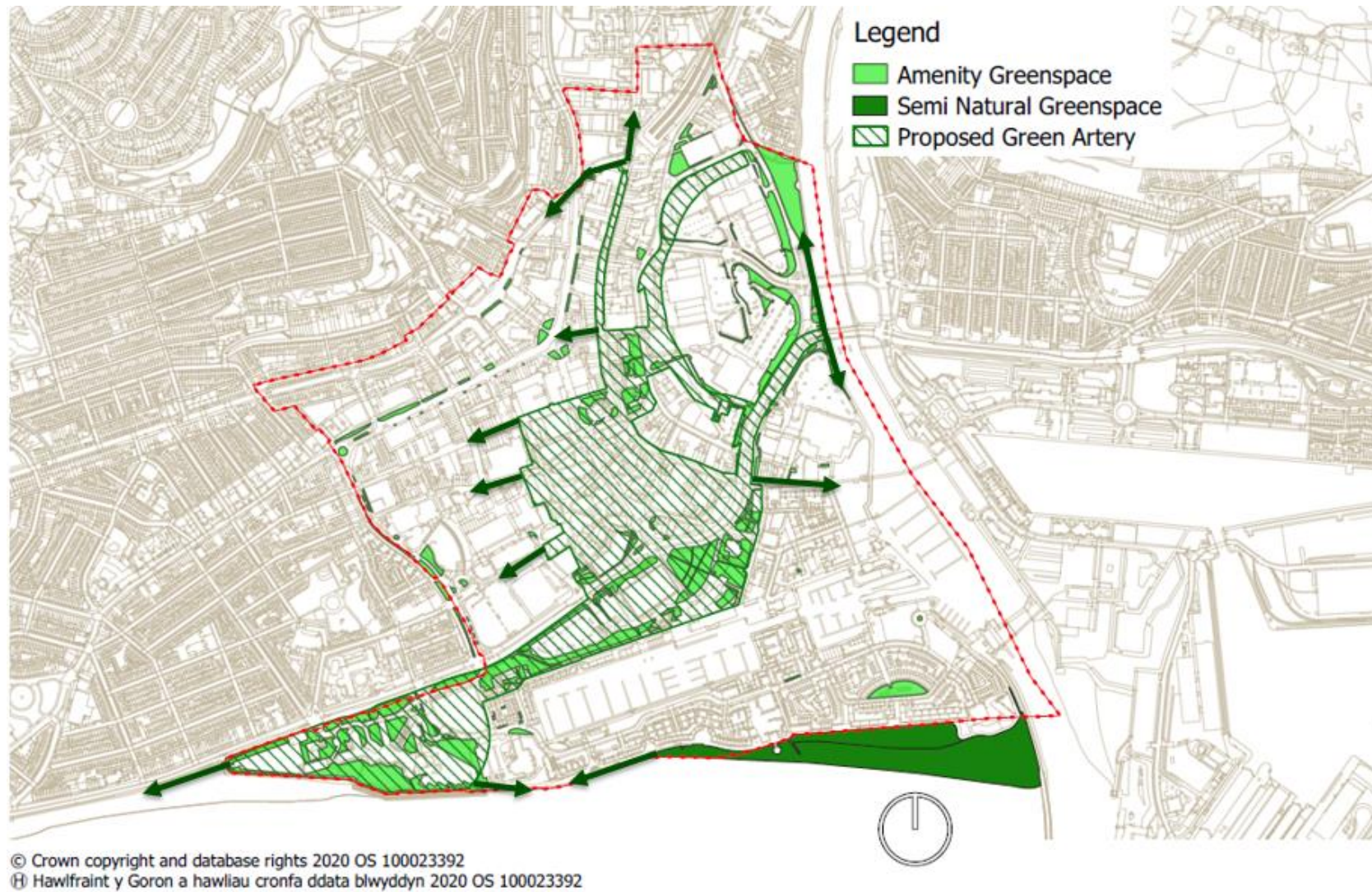


Figure 25. Proposed Green Artery

4.27 Castle Square will be a key central multi-functional green space within the Green Artery and was the most frequently mentioned public space referred to in the community engagement. The redevelopment of Castle Square will include an enhanced public realm. One of the key objectives is that it should adopt an overall principle of retaining and enhancing public access and contributing to a greener Central Area with no loss of useable greenspace. The enhancement of the Square will play an important role in connecting greenspace around the historic Castle, to St Mary's Church and contributing towards the extension of the green artery.

4.28 The key objective for Wind Street is to realise the full potential as a focus for the city's dining and entertainment economy, including proposals to pedestrianise the street, introduce informal seating and enhance GI with additional trees species and new planting.

4.29 Along Alexandra Road and Mansel Street, there may be opportunities for the planting of street trees and private owners and tenants could be involved in greening through the establishment of rain gardens and wildlife gardens.

4.30 Along Kingsway and Orchard Street, the recent re-planting of street trees and the creation of new planters



Figure 26. Castle Square theme 'word cloud' from the community engagement

and grassed amenity areas, including rain gardens, will be complemented by pockets parks in courtyards and rooftop gardens and green roofs on new developments such as 71/72 The Kingsway. The southern aspect of the 71/72 The Kingsway will include significant new GI. Including multifunctional green public space within the surrounding area.

4.31 Along High Street, there are developments such as Coastal's Urban Village including roof top gardens and courtyards. On street parking and relatively narrow pavements means that space is generally limited,

however there are opportunities to enhance existing urban greening to increase multi-functionality and more biodiverse vegetation. Additional connecting linkages may come forward between High Street and the Strand and Parc Tawe.

4.32 In Parc Tawe, the edge of centre retail park may offer opportunities to green car parks through de-paving and when buildings are re-developed green roofs and green walls can be included in the plans. In the longer term the site could accommodate extensive GI forming part of strategic connections to adjacent areas, and blue (water space) which symbolise the former pre industrial river alignment along the Strand.

4.33 The Civic Centre and City Centre Waterfront sits within a swathe of existing greenspace. In the medium to long term, redevelopment of this area is envisaged with mixed leisure and residential uses set within a layout with a key north/south route which is part of the Green Artery, and which encourages walking and cycling between the central area and the Swansea Bay seafront. Public spaces and thoroughfares in the scheme would provide the opportunity to incorporate rain gardens and street trees offering shade and shelter, and buildings would have the potential to incorporate green walls and roofs.

4.34 In the adjacent Maritime Quarter and its conservation area, there are pockets of street trees, and limited formal landscaped areas within the largely hard-surfaced areas focused around the former South Dock. The Swansea Point dunes are an area of natural habitat and a significant area of GI on the seaward frontage of the Maritime Quarter. There are also several development sites where targeted urban greening can be brought forward as part of future new development, including vacant development sites adjacent to Swansea Point, and the Sailbridge site adjacent to the River Tawe.



Figure 27. Maritime Quarter

5 IMPLEMENTATION

Working Together

- 5.1 GI benefits everybody. Whilst national and local government can coordinate and set direction by producing policies, strategies and guidance, it is important that organisations and individuals who are not traditionally involved with soil, water and vegetation etc. are aware of opportunities for them to contribute. A communication network needs to be developed that promotes partnership working and shares information and experiences through social media, training and events. Time should be taken to acknowledge and celebrate progress (Figure 28).



Figure 28. Planting a raingarden

Feasibility

- 5.2 All of the urban GI typologies described in this strategy (see Appendix 2) are proven, even though some of the techniques are relatively new in the UK. At ground level, the planting of trees and the provision of ornamental planters is already standard practice in the public realm and private gardens are popular. With proposals submitted for planning permission, applicants would normally expect to be required to include some GI, in line with LDP Policy ER03 and forthcoming Green Infrastructure SPG.
- 5.3 The challenges are to maximise the area of green infrastructure provided, to ensure that as many ecosystem services as possible are provided and to ensure a net gain in biodiversity. Figure 29 illustrates the process required to enable high quality multifunctional GI.

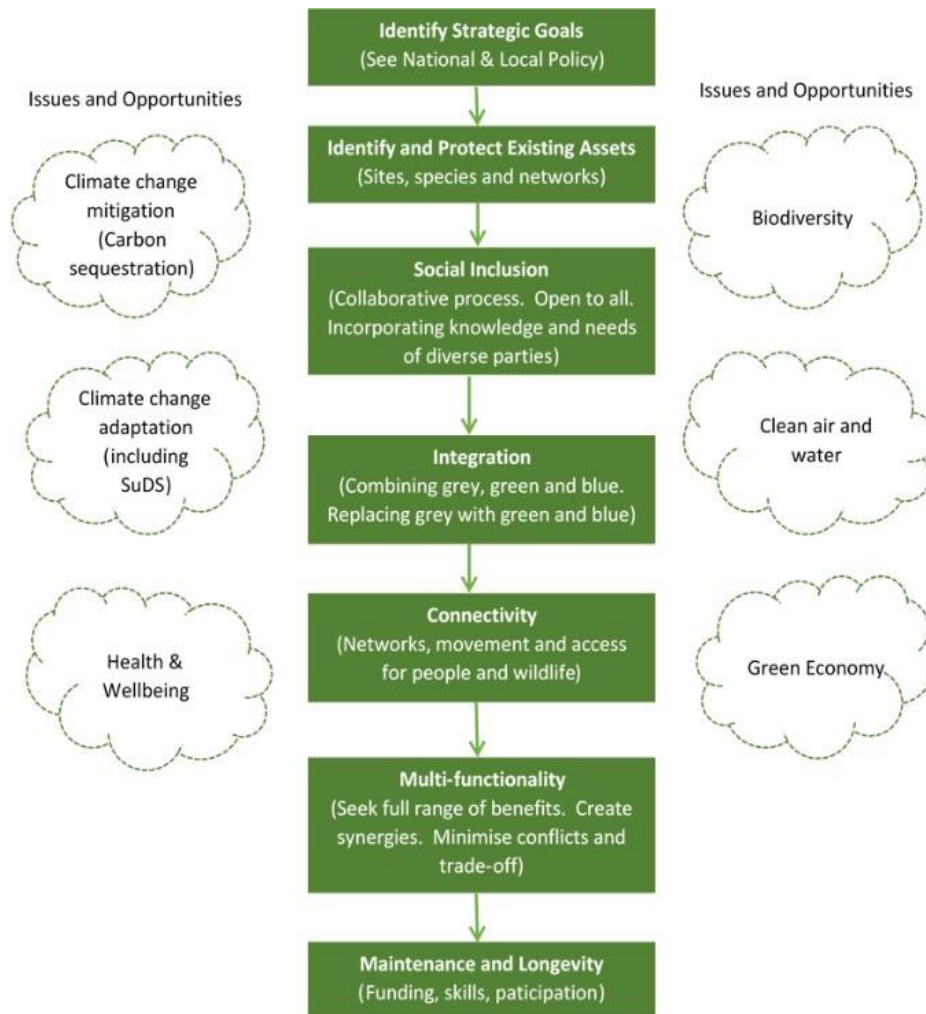


Figure 29. Planning and implementing green infrastructure

³⁴ Environment Systems (2018) Green Infrastructure Opportunity Mapping and Multi-Scale Delivery. Swansea Castle Ward Case Study

Impact

- 5.4 GI can play a useful role wherever it is located, however it is often helpful to prioritise particular locations for the most appropriate interventions. The report on Green Infrastructure Opportunity Mapping and Multi-Scale Delivery Swansea Castle Ward Case Study (2018) shows locations where there are demands for reduction in air pollution, standing water and pluvial (surface water) flooding, improvements in water quality and where there is an absence of accessible green space.³⁴
- 5.5 This strategy will be strengthened by more a detailed GI audit, to identify issues and opportunities at a smaller scale and include specific proposals which can be taken forward for detailed design and delivery.
- 5.6 Swansea Council will apply the Green Space Factor Tool (GSF tool) in consideration of all development in the Swansea Central Area (see Appendix 3). This is a simple method for measuring the extent and likely effectiveness (in providing various ecosystem services) for various interventions included in project proposals. The Council will use this tool to assess the quantity and quality of GI and may choose to set minimum targets in

the central area where redevelopment is proposed. Complimentary to this, software that can model microclimates and identify priority areas for the location of GI (including for example Greenpass³⁵) can be used by planners and designers of large-scale developments to ensure development maximise their contribution to the strategic objectives.

- 5.7 The GSF tool is considered the effective measure for assessing how much permeable green space is needed across a development. Natural Resources Wales and Swansea Council see the GSF tool as best practice for planning the enhancement of GI in the central area, delivering the green artery as set out in the Swansea Central Area Regeneration Framework and meeting obligations under Schedule 3 to the Flood and Water Management Act 2010. Natural Resources Wales and Swansea Council expect and encourages developers to use the tool as part of the design and application process.

- 5.8 The challenge of linking the provision of infrastructure to specific economic benefits is not unique to GI. Like all other infrastructure needed to support development, effective GI is essential to support a healthy and economically successful city. GI makes a very important contribution to the attractiveness of the city and neighbourhoods for investors, residents and visitors. This contribution is well described and understood by planners and many developers and increasingly supported through good practice.³⁶

- 5.9 The evidence shows that increasing the attractiveness of an area through investment in high quality multifunctional GI increases inward investment and property values, visitor dwell time and spend, and can reduce the long-term cost burden on public services. Development costs can also be reduced as traditional equivalent grey infrastructure, is often more expensive to design and install. For example the Welsh Government Analysis of the Evidence for SuDS, concludes:³⁷

Value

³⁵ Greenpass - modelling urban green infrastructure for climate change adaptation. See greenpass.at

³⁶ DEFRA & Natural England 2013. Green Infrastructure's contribution to economic growth: A Review

http://sciencesearch.defra.gov.uk/Document.aspx?Document=11406_GI_Economic_Catalyst_Final_Report_July2013.pdf

³⁷ Welsh Government 2017. Sustainable Drainage Systems on new developments. Analysis of evidence including costs and benefits of SuDS construction and adoption Final Report.

- The overall capital costs of well-designed, good quality landscaped SuDS solutions are always less than those for conventional solutions. In most cases, overall operational and maintenance costs are also lower.
- SuDS are not just an alternative to conventional drainage solutions. They can provide significant and multiple benefits (Figure 30) and have particular potential to help Wales meet well-being and wider sustainability goals. Although the arrangements for the way in which water and surface water systems are managed in Wales has evolved in the last decade and there are still many players with diverse responsibilities, all key stakeholders support the role that SuDS can play in achieving these aims.
- Across the 110,000 new homes planned for Wales by 2021, analysis suggests that the use of landscaped SuDS on new developments that are compliant with required standards could save Wales nearly £1 billion in capital construction costs and generate benefits of over £20 million per year.

5.10 Budgetary constraints and competing cost demands on development schemes mean that greening is often an element that is considered at the end of the design

process and is often scaled back and compromised. Given the proven positive returns on investment from GI, a more positive forward-thinking approach should be applied to GI.

5.11 Now that SuDS are mandatory for new development in Wales, more money will be spent on GI, however it is important that water quality, biodiversity and amenity are fully considered in such schemes, as well as the volume of water being stored or attenuated. Sustainable drainage, the use of the GSF tool and the planning process will require GI to be provided to meet local planning authority requirements. In turn budgets for construction projects should include an allowance so that these new expectations can be met.

5.12 GI is typically a very small proportion of the total cost of construction, and good planning, with the principles set out in this strategy, embedded in schemes at an early stage in the design process, will ensure that GI is given due consideration in any assessment of viability.

“Much has been discussed and documented about the bottom-line benefits of green infrastructure but planting trees, building rain gardens or using porous paving alone are not enough to create sustainable real estate*. To be truly sustainable, green infrastructure must add value, enhance the occupier experience and be flexible enough to adapt and respond to changing social, economic and technological conditions.”

Professor Yolanda Barnes of the Bartlett, UCL

* Real estate is defined here as physical land, structures and the resources attached to it, whether man made or natural i.e. built and green / blue (water) infrastructure.

5.9 With place making high on the public and political agendas there is an increasing expectation that real estate / assets contribute to our social, economic and environmental and cultural wellbeing. With rising costs of energy and maintenance eroding capital returns, resilient and sustainable buildings with lower maintenance costs result in a better long-term option for owner occupiers and investors. Therefore increasingly the success of built infrastructure will depend on its interaction with GI investment, the local economy, culture and popular appeal. Placemaking

requires an understanding of the whole-place and a focus on interventions which are not prescriptive, but which encourage innovation and holistic solutions.



Figure 30. SuDS should be multifunctional (Credit: Robert Bray Associates)

Maintenance

5.10 Greenspace, trees, sustainable drainage features, green roofs and green walls all require regular maintenance. Whenever GI is proposed, a maintenance plan (which identifies responsibilities, purpose, regular upkeep and contingency for remedial measures and budget), should be prepared. As well as the requirement to follow conventional best practice, there should be consideration

of how ecosystem services can continue to be provided and how biodiversity can be maintained over the long term. There is a need to become more innovative and less conventional in approaches to maintaining GI. For example, the engagement in developing this strategy highlighted a clear and strong desire from local communities to be involved in future maintenance

Monitoring

5.11 Outside of academic research, relatively little information is available on how GI continues to function after installation and how it continues to support habitats and species. Effective monitoring is therefore vital to assessing the effectiveness of the strategy and its implementation. Monitoring will be carried out as part of the Council's Section 6 Duty under the Environment (Wales) Act 2016 every three years and through the Council Wellbeing Objective and Swansea Public Service Board Local Wellbeing Plan. Ideally this will include GI mapping by remote sensing at periodic intervals, with appropriate ground-truthing. The monitoring and evaluation process will be set out in the Strategy's Action Plan.

APPENDIX 1 – BENEFITS OF GREEN INFRASTRUCTURE



Figure A1.1 Benefits of Green Infrastructure

A1.1 There is a wealth of evidence on the benefits of high quality multifunctional GI to environmental, social, economic and cultural wellbeing as summarised in Figure A1.1. The following paragraphs focus on

some of the benefits more relevant to the Swansea Central Area.

A1.2 Climate change is predicted to increase the frequency and intensity of both heatwaves and heavy downpours³⁸. Heavy rain can cause surface water flooding. GI has been shown to reduce the severity of these problems by providing **summer cooling** and by **absorbing rainwater** that might otherwise exacerbate surface water flooding.

A1.3 The Urban Heat Island (UHI) effect occurs when summer sunshine beats down upon the dense materials (including asphalt, concrete, masonry and brick) that make up the built environment. Energy is absorbed into dense materials and is re-radiated at night, which is the main cause of the UHI effect, which can make the centre of a city up to 10 degrees centigrade warmer than its rural hinterland in the middle of a summer day.³⁹ The UHI effect exacerbates heatwaves and leads to an increase in energy consumption, through the increased intensity

³⁸ Met Office climate change projections <https://www.metoffice.gov.uk/research/collaboration/ukcp/derived-projections>

³⁹ EPA on UHI <https://www.epa.gov/heat-islands>

of use of air conditioning. The UHI also exacerbates air pollution and risks to health.

A1.4 The soil, vegetation and water in GI prevents heat islands from developing by **reflecting sunlight** and **providing shade**. Water evaporating from soil and water bodies and transpiring from leaves provides **evaporative cooling**. On hot summer days, the ambient temperature of vegetated areas can be up to 4 degrees centigrade cooler than those areas of the city where there is no vegetation. The difference in surface temperature between conventional roofs and green roofs on hot summer days is even more marked, with the temperature difference often exceeding 20 degrees centigrade.⁴⁰

A1.5 The soil in GI is important as a store of water, which can provide **evaporative cooling**, however soil (whether in the guise of green roofs, tree pits, rain gardens or other planted features) is also important as a **sponge for rainwater** (Figure A1.5), which would otherwise go straight into downpipes and drains, which may be overwhelmed during extreme rainfall events, causing surface water flooding.

⁴⁰ GI and the urban heat island
<http://www.vcccar.org.au/sites/default/files/publications/VCCCAR%20Urban%20Heat%20Island%20-WEB.pdf>

Extensive green roofs, for example, have been shown to absorb the first 5mm of rain that falls upon them. Approximately half of the rain that falls on a typical extensive green roof over the course of a year is retained within the substrate (soil) and subsequently lost through evapo-transpiration.⁴¹ Rain gardens and tree pits at street level can be designed to intercept and **store large volumes of stormwater**.⁴²



Figure A1.2. Roof gardens are an effective source control element in sustainable drainage systems

⁴¹ Green roofs rain Livingroofs.org on green roofs and stormwater
<https://livingroofs.org/storm-water-run-off/>

⁴² Rain Garden Guide <https://raingardens.info/wp-content/uploads/2012/07/UKRainGarden-Guide.pdf>

A1.6 The **economic and monetary valuation** of GI is subject to various methods of assessment (necessary because of the wider spectrum of benefits) and the process can be difficult and controversial (because it is argued that some attributes of nature cannot, meaningfully, have a value assigned to them), however some work has been undertaken to place monetary values on GI assets in London. London's public parks have a gross asset value in excess of £91 billion and the GLA estimates that for every £1 invested in parks, Londoners reap £27 in benefits.⁴³

A1.7 Another example of the monetary valuation of GI is the iTrees method. This was used to estimate the value of trees in Swansea's River Tawe Catchment (2015), which includes the Swansea Central Area.⁴⁴ The study concludes that the trees in the catchment:

- **Intercept** an estimated 252 million litres of water every year, equivalent to an estimated £333,900 in sewerage charges avoided.

- **Remove** an estimated 136 tonnes of **airborne pollutants** each year, worth more than £715,500 in damage costs.
- **Remove** an estimated 3,000 tonnes of carbon from the atmosphere each year, this amount of carbon is estimated to be worth £671,000.
- **Store** an estimated 102,000 tonnes of carbon, estimated to be worth £23.1 million.

A1.8 In addition to these various indirect economic benefits, the planning, design, installation and maintenance of GI is an economic activity in itself. For example, the UK annual expenditure for extensive green roofs, which is centred on London, exceeded £26m for 2017.⁴⁵

A1.9 GI is associated with improved health and wellbeing and the mechanisms for this include:

- **Access** to greenspace whereby people maintain good health through **exercise**.

⁴³ London Natural Capital Accounts <http://www.vivideconomics.com/wp-content/uploads/2017/11/Natural-Capital-Accounts-Report-GLA-NT-HLF.pdf>

⁴⁴ iTrees <https://naturalresources.wales/media/680678/revised-english-wales-urban-canopy.pdf>

⁴⁵ London Living Roofs and Walls 2019 https://www.london.gov.uk/sites/default/files/2019_london_living_roofs_walls_report.pdf

- **Exposure** to vegetation and natural features facilitates social interaction, are **calming and inspiring**, lowers stress and improves mental health and wellbeing.
- **Reduction** in pollutants that can cause disease.

A1.10 The evidence for these effects is considered in turn and summarised in the paragraphs that follow.

A1.11 Epidemiological studies have shown that access to nearby greenspace encourages increased physical activity, lowers rates of obesity and lowers morbidity.⁴⁶ The reasons for this are complex, however an important factor is that a greener environment increases the prevalence of walking and other physical activity. The importance of exercise in preventative medicine is now being emphasised by health professionals, who recognise that easy, local access to GI is essential if prescriptions for exercise are to be effective.⁴⁷

A1.12 The sight of vegetation, outside as well as inside, lowers stress and blood pressure and helps concentration.⁴⁸ **Cognitive development** in children and the recuperation of patients are also reported to be improved when vegetation is visible. Productivity is increased and the symptoms of conditions including Alzheimer's disease, dementia, depression and ADHD (Attention Deficit Hyperactivity Disorder) may be alleviated.⁴⁹ This was reflected in the engagement findings for this strategy; with emotional benefits of green spaces in the city centre a clear theme for residents and visitors of all ages (see Figure A1.3 and A1.4). GI can be very important in child development. Research in Barcelona, using brain imaging techniques, which compared children growing up in areas without vegetation with children in areas with vegetation, found that children in the areas with vegetation had beneficial structural changes in their brains, which were permanent.⁵⁰

⁴⁶ Links between natural environment and health
<http://eprints.gla.ac.uk/4767/1/4767.pdf>

⁴⁷ Walking for Health <https://www.walkingforhealth.org.uk/>

⁴⁸ Chang, C.Y., and P.K. Chen. 2005. Human Response to Window Views and Indoor Plants in the Workplace. *Hortscience* 40, 5: 1354-59

⁴⁹ Nature and mental health

https://depts.washington.edu/hhwb/Thm_Mental.html

⁵⁰ <https://www.childinthecity.org/2018/03/28/childhood-exposure-to-green-space-may-help-brain-development/?gclid=...>



Figure A1.3. Wellbeing theme 'word cloud' community engagement. Members of the public were asked, "What is nature in the city to you?"

- A1.13 Green spaces, gardens and even shaded spots beneath trees have been shown to encourage informal multi-generational **social interaction** and **cohesion** and **creative play**. These interactions are especially important for the lonely, elderly and other more vulnerable groups. Green and open spaces are also valued and enjoyed by many of the workers who commute into urban areas each day. Overall,

social interaction reduces stress and improves mental health and wellbeing.⁵¹

- A1.14 Health is also improved when **noise is reduced**. Soil and vegetation may dampen noise, in contrast with man-made surfaces, which tend to reflect it. Trees and shrubs have been shown to reduce sound by 6dB over a distance of 30m. Green roofs and green walls have been shown to be particularly effective at shielding people in buildings and building courtyards from traffic noise.⁵²



Figure A1.4. Pupils at Ysgol Bryn y Mor explaining what #citynature #natyrynyddinas means to them

⁵¹ Health Council of the Netherlands. 2004. Nature and Health: The Influence of Nature on Social, Psychological and Physical Well-Being. Health Council of the Netherlands and RMNO, The Hague

⁵² Van Renterghem, T. et al. (2013). The potential of building envelope greening to achieve quietness. Building and Environment, 61, 34– 44. DOI:10.1016/j.buildenv.2012.12.001

A1.15 Health is impacted by poor air quality. Air pollutants of particular concern in cities are particulates and nitrogen dioxide. In Wales, more specifically, for the latest year for which data are available (2017), the long-term mortality burden attributable to air pollution (fine particulate matter and nitrogen dioxide combined) is an estimated effect equivalent to 996 to 1,417 deaths.⁵³ The vegetation that makes up GI has been shown to improve air quality by filtering particulates and absorbing gases. Studies have shown that planting on buildings in street-canyons reduces street-level concentrations by as much as 40% for nitrogen dioxide and 60% for particulate matter.⁵⁴

A1.16 The various benefits provided by GI combine to provide economic benefits in terms of energy savings, fewer insurance claims (for example, after flooding), fewer working days lost, preventative health measures, reductions in crime, increased productivity, increased property values, increased footfall for businesses and increased inward

investment. The health benefits of urban GI, in terms of reductions in provision by the health service are estimated at £2.1 billion in the UK.⁵⁵

A1.17 Opportunities for **local food production**, in allotments, community gardens and orchards or even through temporary projects, increases access to healthy, locally sourced and distinctive food and provides education and training opportunities. It also contributes to **food security** and reconnects communities with their local environment. One example is 'Vetch Veg'⁵⁶, located at Swansea City's former football ground (Figure A1.5). This green oasis in the middle of an urban area has enhanced the community spirit, has people sharing experiences, swapping recipes and tasting and sampling new dishes. This reflects the diverse cultures of Swansea.

A1.18 Another example is the Swansea Community Green Spaces project to create green spaces for social interaction and cohesion including the site at Seaview Green Space, Mount Pleasant. This is a

⁵³ Public Health Wales on air pollution https://public.tableau.com/views/Nationallong-termannualairpollutionconcentrationsanthropogenicandmortalityburdenranges/Dashboard1?:embed=y&:displaycount=yes&:publish=yes&:origin=viz_share_link

⁵⁴ GI and air quality in street canyons <https://pubs.acs.org/doi/abs/10.1021/es300826w>

⁵⁵ Health and GI: Evidence of benefits <http://nhsforest.org/evidence-benefits>

⁵⁶ Veg Vetch, Swansea <http://www.vetchveg.co.uk/>

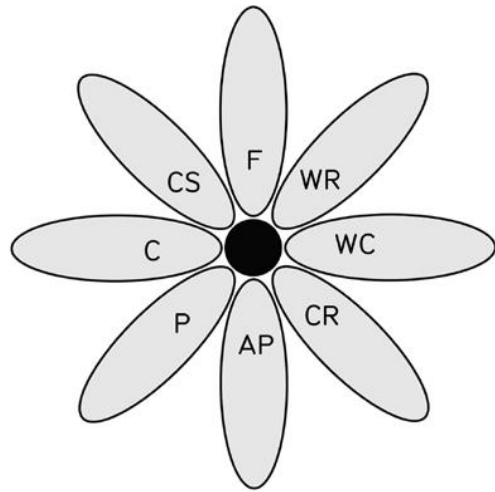
food growing project working with asylum seekers and refugees, in collaboration with the African Community Centre. It has encouraged local residents to become involved by actively engaging with people passing by. As a result, the community have formed their own successful growing project and have leased the site from the Council. This project has contributed to bringing the community together and has improved the physical and mental wellbeing of individuals.



Figure A1.5. Vetch Veg (Credit: Kathryn Campbell Dodd)


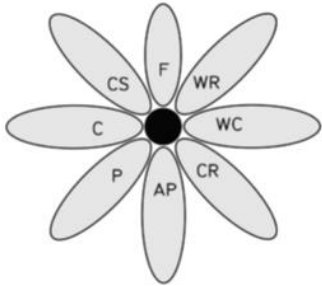

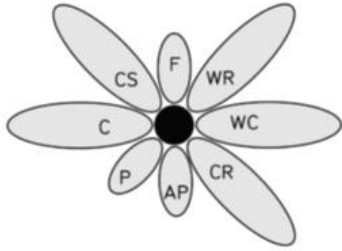
APPENDIX 2 – URBAN GREEN INFRASTRUCTURE TYPOLOGIES


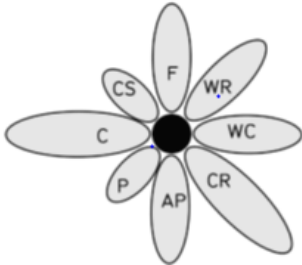

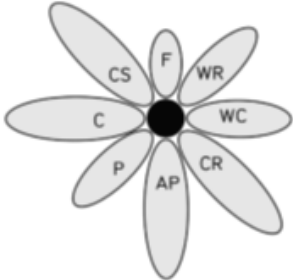
A2.1 This Appendix describes the range of urban GI types referred to in the Green Space Factor tool and to consider the ecosystem services (benefits) that are likely to be provided. It is not intended to be encyclopaedic (other types and features are available) and does not consider the biodiverse sub-types included in the Swansea Green Space Factor scoring system.



Petal Diagram Key	
F	Food
WR	Water Regulating
WC	Water Cleansing
CR	Climate Regulation
AP	Air Pollution Abatement
P	Pollination
C	Culture
CS	Carbon Sequestration

A2.2 Each petal represents a different category ecosystem service provided by the GI type. The size of the petal gives an approximate measure of the relative strength of that ecosystem service.


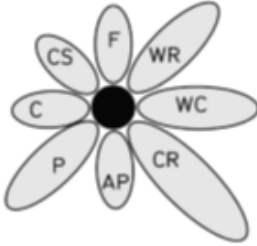

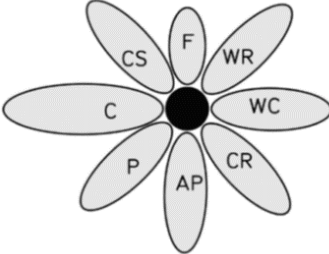
Urban Green Infrastructure type	Comments	Image	Ecosystem Services	Biodiversity Value	GSF Score
Semi-natural vegetation (e.g. woodland flower-rich grassland)	Although unusual to have semi-natural vegetation with native species in urban areas, this can occur and is desirable in terms of biodiversity and the range and ecosystem services provided. An example is the sand dune habitat close to the river mouth as well as woodland associated with the Tawe River corridor.			High	1
Wetland and open water created on site	Usually limited opportunities in open areas, however extremely valuable where it does occur			High	1

Urban Green Infrastructure type	Comments	Image	Ecosystem Services	Biodiversity Value	GSF Score
<p>Intensive green roof or vegetation over structure. Vegetated sections only. Substrate minimum settled depth of 150mm. See livingroofs.org.uk for descriptions⁵⁷</p>	<p>Extremely variable, important amenity space in locations where greenspace may be limited. Biodiversity can be boosted by following wildlife gardening advice.⁵⁸</p>			<p>Low - Moderate</p>	<p>0.8</p>
<p>Standard trees planted in natural soils or in connected tree pits with a minimum soil volume equivalent to at least two-thirds of the projected canopy area of the mature tree - see Trees in Hard Landscapes for overview.⁵⁹</p>	<p>Important that tree pits are designed to receive surface water run-off by using soil cells or Stockholm tree pits. Biodiversity value will depend on species selection.</p>			<p>Low - High</p>	<p>0.8</p>

⁵⁷ <https://livingroofs.org/intensive-green-roofs/>

⁵⁸ <https://www.wildlifetrusts.org/gardening> and <https://www.rspb.org.uk/birds-and-wildlife/advice/gardening-for-wildlife/>


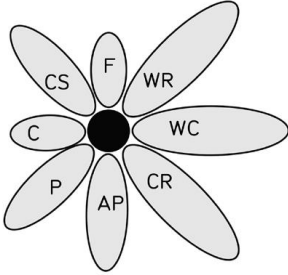

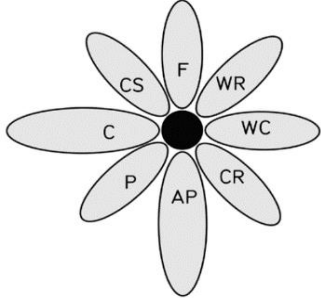
⁵⁹ <http://www.tdag.org.uk/trees-in-hard-landscapes.html>

Urban Green Infrastructure type	Comments	Image	Ecosystem Services	Biodiversity Value	GSF Score
Extensive green roof with substrate of minimum settled depth 80mm (or 60mm beneath vegetation blanket) – meets the requirements of GRO Code 2014. ⁶⁰	Essential that adequate substrate depth is provided to absorb rainfall and store water for subsequent evapo-transpiration. Biodiversity value will depend on species selection.			Moderate - High	0.7
Flower-rich perennial planting – see Centre for Designed Ecology. ⁶¹	Can include species to attract pollinating insects.			Moderate	0.7

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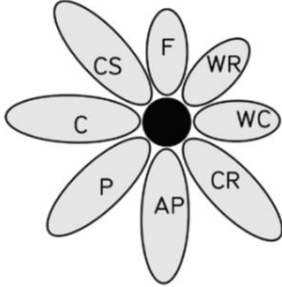

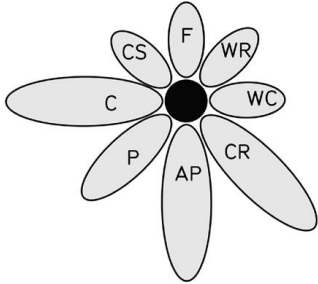
⁶⁰ <https://livingroofs.org/wp-content/uploads/2016/03/grocode2014.pdf>

⁶¹ <https://cfde.co.uk/front-page/about/case-studies/>


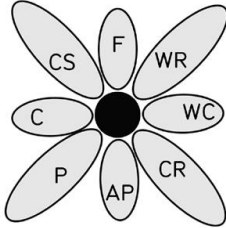

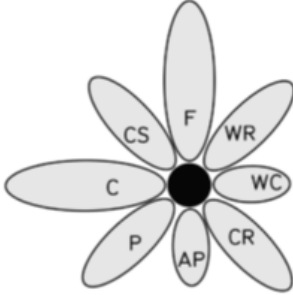
Urban Green Infrastructure type	Comments	Image	Ecosystem Services	Biodiversity Value	GSF Score
<p>Rain gardens and other vegetated sustainable drainage elements – See CIRIA for case studies.⁶²</p>	<p>Careful design required to ensure levels are correct, that soil has been amended to be free-draining and water-absorbent and that overflow route is created in event that capacity of rain garden is exceeded. Biodiversity value will depend on size and planting palette.</p>			<p>Moderate - High</p>	<p>0.7</p>
<p>Hedges (line of mature shrubs one or two shrubs wide) – see RHS for guidance⁶³</p>	<p>Hedge should be large enough (width and height) to provide cover for nesting birds. Value for larvae food plants will be increased if native species are used.</p>			<p>Moderate - High</p>	<p>0.6</p>

⁶² <http://www.susdrain.org/>


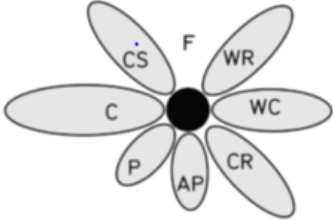

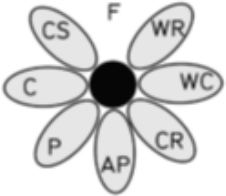
⁶³ <https://www.rhs.org.uk/advice/profile?pid=351>

Urban Green Infrastructure type	Comments	Image	Ecosystem Services	Biodiversity Value	GSF Score
<p>Standard trees planted in pits with soil volumes less than two thirds less than the projected canopy area of the mature tree.</p>	<p>Ideally larger tree pits will be used, however sometimes available space is limited. Biodiversity value depends on species selection.</p>			<p>Low - Moderate</p>	<p>0.6</p>
<p>Green wall – modular system or climbers rooted in soil – see NBS Guide to Façade Greening for overview.⁶⁴</p>	<p>Wide range of systems and planting methods. Wherever possible should use climbers rooted in soil. Where irrigation is required harvested rainwater should be used if feasible. Biodiversity value will depend on plant species selection.</p>			<p>Moderate - High</p>	<p>0.6</p>


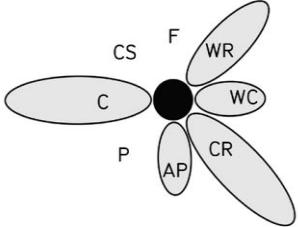

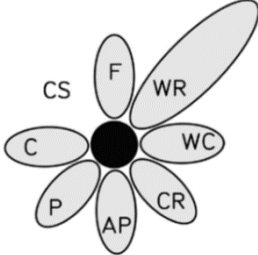
⁶⁴ <https://www.thenbs.com/knowledge/the-nbs-guide-to-facade-greening-part-two>


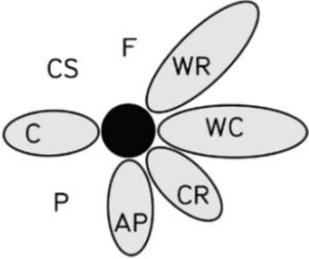


Urban Green Infrastructure type	Comments	Image	Ecosystem Services	Biodiversity Value	GSF Score
Groundcover planting – see RHS Groundcover Plants for overview ⁶⁵	Wherever feasible, planter beds should be designed to receive surface-water run (see rain garden). Planting should be native or of documented value for wildlife in order to maximise biodiversity value.			Low - Moderate	0.5
Allotments or raised beds for food growing	Although growing food is the main focus, consideration should be given to providing flowers for pollinating insects and avoiding the use of biocides that harm wildlife			Low – Moderate	0.5

⁶⁵ <https://www.rhs.org.uk/advice/profile?PID=818>

Urban Green Infrastructure type	Comments	Image	Ecosystem Services	Biodiversity Value	GSF Score
Amenity grassland (species-poor, regularly mown lawns)	This is the default vegetation type with urban greening (often combined with tree planting). Unless there is a specific requirement for a lawn for amenity or recreational purposes, this should be avoided. Where possible, lawns should be planted with a range of low-growing wild flowers (e.g. birds foot trefoil) to attract pollinating insects.			Low - Moderate	0.4
Extensive green roof of sedum mat or other lightweight systems that do not meet GRO Code 2014. ⁶⁶	To be avoided			Low	0.3

⁶⁶ <https://livingroofs.org/wp-content/uploads/2016/03/grocode2014.pdf>

Urban Green Infrastructure type	Comments	Image	Ecosystem Services	Biodiversity Value	GSF Score
Open water (chlorinated)	Although this feature may form part of an amenity landscape, it receives a low GSF score because of its low biodiversity value. Most important ecosystem services are cultural (aesthetic, recreational) and evaporative cooling			Low	0.2
Unplanted detention basins	Although this feature may form part of a sustainable drainage system, it receives a low GSF score because of its low biodiversity value.				

Urban Green Infrastructure type	Comments	Image	Ecosystem Services	Biodiversity Value	GSF Score
Permeable paving - see CIRIA for overview ⁶⁷	Although this feature may form part of a sustainable drainage system, it receives a low GSF score because of its low naturalness/biodiversity value.			Low	0.1
Sealed surfaces (e.g. concrete, asphalt, waterproofing, stone)	Sealed surface should be avoided unless there is a requirement for hard wearing surfaces or smooth surfaces for cycles, wheelchairs etc.			Negligible	0
Bird boxes, bat boxes, bug hotels etc	Although these are not landscape typologies, applicants will be encouraged to include these features in their plans.			High	N/A

⁶⁷ <http://www.susdrain.org>

SWANSEA CENTRAL AREA GREEN SPACE FACTOR TOOL

A3.1 INTRODUCTION

- A3.1.1 Green Space Factor (GSF) tools are used by planners, designers and planning authorities to make an assessment of the quantity and functionality of green infrastructure included in planning applications.
- A3.1.2 Planting types within a site are measured and scored, and an overall score for a site (between 0 and 1) is calculated. A minimum target for a scheme to meet can be set. (See section 2 for more details of how the measurements are undertaken).
- A3.1.3 GSF schemes have been applied in a number of cities around the world, beginning with Berlin in the 1990s. Similar schemes spread to other German cities (including Hamburg) and then overseas, including Sweden (Malmö), the United States (including Seattle and Washington DC) and Canada (Toronto). The City of Southampton was the first UK planning authority to develop a GSF scheme. A partnership led by the Red Rose Forest developed a GI Toolkit based on a GSF approach for England's North-West region in 2008. More recently the Greater London Authority has proposed the use of a GSF scheme as part of its urban greening policy in the draft New London Plan⁶⁸. The City of London was the first local planning authority in London to promote the approach.⁶⁹
- A3.1.4 Swansea Central Area is undergoing significant re-development and there is growing awareness of, and an associated body of evidence for, the multiple benefits of GI, including measurable net positive impacts on physical health and mental wellbeing. Swansea Council and Natural Resources Wales are committed to realising these benefits. It is also the case that GI will have a critical role in improving the City's capacity to adapt to climate change.
- A3.1.5 Natural Resources Wales, Swansea Council and Green Infrastructure Consultancy have developed a GSF tool. It assists developers and planners to determine the appropriate level of urban greening required for development in the Swansea Central Area, in order to achieve the vision set out in the Swansea Central Area Regeneration Framework (SCARF) and the Swansea Central Area Regenerating Our City for Wellbeing and Wildlife Strategy. Multifunctionality is illustrated in the Appendix 2 petal diagrams, designed to demonstrate

⁶⁸ <https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/draft-new-london-plan/chapter-8-green-infrastructure-and-natural-environment/policy-g5>

⁶⁹ <https://www.architectsjournal.co.uk/news/all-schemes-in-square-mile-to-include-urban-greening-under-new-20-year-plan/10036754.article>

the contribution of GI typologies. The more balanced and larger the petals the more effective and multifunctional the GI type is.

A3.1.6 Natural Resources Wales and Swansea Council are committed to using this GSF tool as a way of increasing the quantity and quality of green infrastructure in the Swansea Central Area with a special emphasis on schemes that contribute to the establishment of a 'Green Artery'. There are numerous opportunities to add greenery to new buildings and refurbished buildings, and where options to add more vegetation to certain buildings (e.g. Listed Buildings) may be limited, the tool can still be used to ensure all opportunities are explored.

A3.1.7 The GSF will be used as a planning tool and to facilitate pre-application discussion. It is to be used in combination with the Council's Local Development Plan (LDP) and the suite of Supplementary Planning Guidance (SPG) documents relating to amenity, GI and biodiversity. The tool will also help developers to demonstrate how they are integrating Sustainable Urban Drainage (SuDS) into their schemes. SuDS is now required by legislation.

A3.1.8 Whilst it will not be compulsory for the GSF tool to be applied to all proposals within the Swansea Central

Area, applicants are expected to submit a GSF calculation in support of their plans. Where a GSF calculation is not provided applicants will need to provide extensive evidence demonstrating how the application meets the vision of the Green Infrastructure Strategy and supporting legislation. GSF scores may be calculated for application sites, buildings, buildings and their ground-level curtilage or street-level public realm for new building and refurbishment.

A3.1.9 The benefits of the GSF tool include:

- Increase in the use of multifunctional green infrastructure features.
- Urban greening on restricted sites.
- A simple calculation mechanism, easily understood by non-specialists.
- Facilitation of conversations between developers and planners.
- Flexibility: scores and targets can be adjusted to reflect specific priorities.

A3.1.10 GSF schemes are part of a response to the problems associated with the increasing density of cities. They are usually applied in locations that tend to be dominated by high density zones or districts like Swansea Central Area. Areas where large-scale

urban renewal is planned, where rapid development is expected, or where there are particular problems including, for example, biodiversity losses, surface water flooding exacerbated by inappropriate development. Achieving a satisfactory GSF score in developments with limited or no ground level greenspace (where a building covers most or all of a site) will normally require green roofs and green walls to be included.

A3.1.11 Conventional GI planning is characterised by ground-level mapping that usually overlooks the potential to green the roofs, terraces and facades of buildings. With high-rise developments with green roofs and walls located on multiple levels and aspects it will be increasingly important that not only GSF schemes, but all policies related to GI, biodiversity and climate change adaptation, take account of the challenges and opportunities associated with denser developments and taller buildings.

A3.1.12 Depending on how they are embraced, GSF schemes encourage developers to obtain more specialist advice (usually from landscape architects) in order to ensure that their plans meet the local community and the planning authority's expectations for GI improvements. With most GSF schemes, the

purpose is easily explained and understood and the calculation of the overall score using the tool is a relatively straightforward and inexpensive process. Schemes allow flexibility with respect to plot layout and landscape design and are not prescriptive. Scores for particularly desirable features can be increased in order to encourage use.

A3.1.13 GSF schemes may be perceived as an unnecessary additional administrative burden. This is more likely to be the case in cities, like those in the United States for example, where the attainment of a particular score is a pre-requisite of the permitting process. It will consequently be considered unacceptable for fragile landscape features (like intensive green walls for example) to be included in plans for the purpose of meeting a target, without appropriate controls to prevent those features subsequently failing if not properly installed or maintained. It should be noted that artificially engineered features tend to require more maintenance and are more vulnerable to failure than retained existing features or more traditional planting in natural soils.

A3.1.14 Although scoring schemes are relatively simple, the score assigned to any particular surface cover may vary from city to city and the assignment of a

particular score to a particular landscape treatment can be subject to debate. There is the potential for low quality features (for example green roofs with inadequate substrate depth) to be used to formulate unsatisfactory schemes that meet the target score. These difficulties can be overcome by providing good definitions and accurate descriptions of the various types of surface cover. If necessary, scoring schemes can be reviewed to address persistent shortcomings.

A3.1.15 GSF schemes have been confused with certification or benchmarking methods designed to measure the sustainability or environmental performance of developments. BREEAM, for example, which assesses the sustainability of building and infrastructure projects, includes five assessment categories included under the themes of landscape and ecology.⁷⁰ These categories are: site selection; ecological value of sites and protection of ecological features; mitigating ecological impact; enhancing site ecology and long-term impact on ecology. In contrast with the GSF calculation process, these BREEAM assessments require detailed baseline surveys, calculations and reports, which must be undertaken by suitably qualified persons. BREEAM schemes

may also incur substantial costs. Although BREEAM is a valuable way of measuring environmental performance and encouraging designers to strive for excellence, it has not been devised as a tool for planners and could not be readily applied to the task of improving GI provision across entire planning zones or neighbourhoods.

A3.1.16 Potential issues (depending on how a GSF scheme is implemented) can include the following:

- given that a GSF calculation determines only the quantum of broadly described categories, the design quality of each treatment cannot be assessed in detail.
- there is a possibility of the GSF scheme being too rigidly interpreted, with proposals meeting, but not exceeding, targets.
- Not promoting green roof and green walls could result in insufficient GI being created in schemes with tall buildings and a small ground-level curtilage.

A3.1.17 In light of these issues, it will be essential to be clear and precise about how a GSF scheme relates to the full suite of policies that influence greenspace planning and design. The GSF tool is the

⁷⁰ <http://www.breeam.com/>

assessment tool promoted by Swansea Council and Natural Resources Wales. However, it will not be the sole method of assessing GI proposed as part of a development scheme and cannot be a replacement for good design. The GSF tool should be seen to complement and help deliver policies and standards on, urban greening, wellbeing, biodiversity and climate change adaptation, including summer cooling and sustainable drainage.

A3.2 SWANSEA CENTRAL AREA GREEN SPACE FACTOR TOOL

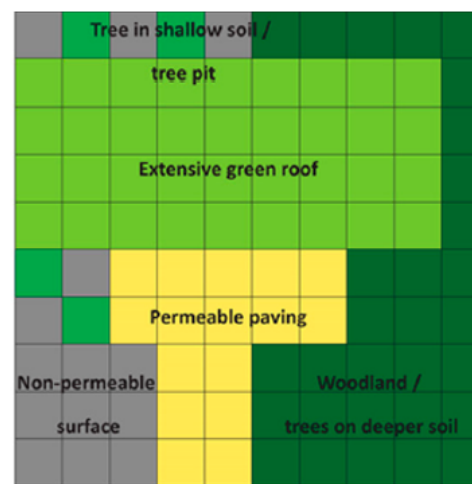
A3.2.1 The Swansea Green Space Factor (GSF) tool is aimed primarily at new developments and refurbishments. It can be used to establish a baseline for retrofit projects and used to measure the associated improvements. Minimum target scores will be an expectation and will be as follows:

- 0.3 for predominantly commercial developments, and
- 0.4 for predominantly residential developments.

A3.2.2 These scores are based on experience of successful GSF schemes and will drive up standards. The scores can be increased in the future where there is the potential for further gains, as well as an appetite, to extend the scheme. GSF scores may be calculated for application sites, buildings, buildings and their ground-level curtilage or street-level public realm. Designs for taller buildings can easily meet the 0.3/0.4 target scores by including green roofs and green walls or by vegetating balconies and other features on upper floors.

A3.2.3 The tool should be used from the conception, setting the tone of the scheme. For example, for schemes going through the RIBA stages, the tool should be used from RIBA Stage 0 and be revised and amended throughout the process.

A3.2.4 In calculating an overall GSF score for any given proposed development it is necessary to measure the overall area of the site and then to map and measure the coverage of various surface cover types within the site (see Figure A3.1). Surface covers include sealed surfaces, permeable paving, amenity grassland, trees and shrubs, extensive green roofs, roof gardens and green walls.



$$(0.7 \times 36) + (0 \times 14) + (0.2 \times 16) + (1 \times 30) + (0.7 \times 4)$$

$$\frac{100}{100} = 0.61$$

Score = 0.61
Target = 0.5

Site 100 m ²		Factor	Area (m ²)
	Extensive green roof	0.7	36
	Non permeable surface	0.0	14
	Permeable Paving	0.2	16
	Woodland / trees on deeper soil	1.0	30
	Trees on shallow soil / tree pit	0.7	0
			100

Figure A3.1. Diagram of simplified theoretical development site to demonstrate how the GSF works (modified from Southampton City Councils Guidance notes)

A3.2.5 Once the various parcels have been measured and categorised, then the total coverage of each surface

cover can be quantified. Scores are then assigned to each surface cover. Then the calculation of the overall green space factor can begin. The score for each surface cover within a site is multiplied by its area. This generates a series of figures which are then added together. This new total is then divided by the site area to give an overall GSF score (as set out in Figure A3.2).

A3.2.6 Figure A3.1 and A3.2 show a theoretical square development site of 100 square metres, explaining how the site has been analysed in terms of surface cover and areas of each type.

$$\frac{(\text{Score A} \times \text{Area}) + (\text{Score B} \times \text{Area}) + (\text{Score C} \times \text{Area}) + (\text{Score D} \times \text{Area}) \text{ etc.}}{\text{Total Site Area}}$$

Figure A3.2 Calculation for GSF score

A3.2.7 A completed GSF tool score spreadsheet should be submitted in support of an application (such as SuDS or planning applications).

A3.2.8 Scores are assigned according to the rate of infiltration of rainwater for each landscape element in a development.⁷¹ This basis in infiltrations highlights that the GSF tool is useful in demonstrating compliance with the Welsh Government statutory SuDS Standard 2019.

A3.2.9 In effect, scores are a simplified measure of the various benefits (ecosystem services) provided by soils, vegetation and water and are usually assigned on the basis of potential for rainwater infiltration. This is because the water-holding capacity of surface cover and associated soil is a good proxy for their ability to provide the range of benefits associated with natural systems.

A3.2.10 Ecosystem services provided by urban landscapes include supporting services, provisioning and cultural services (particular therapeutic benefits), however there is a special interest in regulating services (notably climate regulation and the cleaning of water and air). Scores between 0 and 1 (in increments of 0.1) are allocated to each surface cover type, with impermeable surfaces such as concrete and asphalt

⁷¹

http://www.stadtentwicklung.berlin.de/umwelt/landschaftsplanung/bff/index_en.shtml

assigned a score of 0 and the most natural surface cover such as open water/trees or woodland on deeper soils, awarded a score of 1. (See Table A3.1) listing all types between 1 and 0) The scoring system takes into account existing land cover, encourages retention of existing natural features and requires an overall increase in score compared with the existing condition. The performance requirements for surface cover types are not prescribed

A3.2.11 Table A3.1 lists the surface cover type and their corresponding scores for the Swansea Central Area and should be used to achieve the overall score. It covers most eventualities, however, if a surface cover type is encountered which is not listed, it should be assigned the same score as the category in the figure that is most functionally similar. An increase in scoring is specified for biodiverse versions of landscape typologies, in order to encourage efforts to ensure net gain/ benefit in biodiversity value.

A3.3 REVIEW OF GREEN SPACE FACTOR SCHEMES

Surface Cover Type	Score
Semi-natural vegetation (e.g. woodland, flower-rich grassland) created on site	1
Wetland or open water (semi-natural; not chlorinated) created on site	1
Biodiverse intensive green roof or vegetation over structure. Vegetated sections only. Substrate minimum settled depth of 150mm – See livingroofs.org for descriptions. ⁷² Planting to be with native species and/or species with documented value for biodiversity.	0.9
Intensive green roof or vegetation over structure. Vegetated sections only. Substrate minimum settled depth of 150mm – See livingroofs.org for descriptions. ⁷³	0.8
Standard trees planted in natural soils or in connected tree pits with a minimum soil volume equivalent to at least two-thirds of the projected canopy area of the mature tree -see Trees in Hard Landscapes for overview. ⁷⁴	0.8
Biodiverse extensive green roof with substrate of minimum settled depth 80mm (or 60mm beneath vegetation blanket) – meets the requirements of GRO Code 2014. ⁷⁵ For advice on attracting invertebrates to extensive green roofs see BugLife. ⁷⁶	0.8
Biodiverse rain gardens and other vegetated sustainable drainage elements – See CIRIA for case studies. ⁷⁷ Planting to be with native species and/or species with documented value for biodiversity.	0.8
Extensive green roof with substrate of minimum settled depth 80mm (or 60mm beneath vegetation blanket) – meets the requirements of GRO Code 2014. ⁷⁸	0.7
Flower-rich perennial planting – see Centre for Designed Ecology. ⁷⁹	0.7
Rain gardens and other vegetated sustainable drainage elements – See CIRIA for case studies. ⁸⁰	0.7
Biodiverse green wall – modular system or climbers rooted in soil – see NBS Guide to Façade Greening for overview. ⁸¹	0.7
Native hedges (line of mature native shrubs one or two shrubs wide)	0.7
Hedges (line of mature shrubs one or two shrubs wide) – see RHS for guidance ⁸²	0.6

⁷² <https://livingroofs.org/intensive-green-roofs/>

⁷³ <https://livingroofs.org/intensive-green-roofs/>

⁷⁴ <http://www.tdag.org.uk/trees-in-hard-landscapes.html>

⁷⁵ <https://livingroofs.org/wp-content/uploads/2016/03/grocode2014.pdf>

⁷⁶ https://www.buglife.org.uk/sites/default/files/Creating%20Green%20Roofs%20for%20Invertebrates_Best%20practice%20guidance.pdf

⁷⁷ <http://www.susdrain.org/>

⁷⁸ <https://livingroofs.org/wp-content/uploads/2016/03/grocode2014.pdf>

⁷⁹ <https://cfde.co.uk/front-page/about/case-studies/>

⁸⁰ <http://www.susdrain.org/>

⁸¹ <https://www.thenbs.com/knowledge/the-nbs-guide-to-facade-greening-part-two>

⁸² <https://www.rhs.org.uk/advice/profile?pid=351>

Surface Cover Type	Score
Standard trees planted in pits with soil volumes less than two thirds less than the projected canopy area of the mature tree.	0.6
Green wall – modular system or climbers rooted in soil – see NBS Guide to Façade Greening for overview. ⁸³ 0.6 Native groundcover planting	0.6
Groundcover planting – see RHS Groundcover Plants for overview ⁸⁴	0.5
Species-rich lawns (species-rich – with at least 5 species of low-growing wildflowers - regularly mown lawns)	0.5
Allotments or raided beds for food growing (exclude paved areas)	0.5
Amenity grassland (species-poor, regularly mown lawns)	0.4
Extensive green roof of sedum mat or other lightweight systems that do not meet GRO Code 2014. ⁸⁵	0.3
Open water (chlorinated)	0.2
Unplanted detention basins 0.2 Permeable paving - see CIRIA for overview ⁸⁶	0.1
Sealed surfaces (e.g. concrete, asphalt, waterproofing, stone)	0

Table A3.1. Swansea Central Area GSF

A3.3.1 GSF schemes are well established - they have been used in various countries and cities in Europe and North America for more than 20 years. The following examples show the history, range, type and success of GSF schemes.

A3.3.2 City of Berlin - has operated the Biotop Flächenfaktor or Biotope Area Factor (BAF) since 1994. The BAF is applied, in combination with Landscape Plans, in a number of Berlin's inner-city neighbourhoods. Landscape Plans address spatial

issues and opportunities and the BAF ensures that adequate green space is provided within each development parcel. BAF targets are adjusted according to land use, with sites with educational use, for example, requiring the highest scores. Minimum scores for sites within neighbourhoods covered by the scheme vary between 0.3 and 0.6. Problems with surface water flooding and an overall lack of green space were the catalysts for the BAF initiative, and surface cover types are assigned scores (between 0 for impermeable surfaces and 1 for vegetated surfaces completed connected with the

⁸³ <https://www.thenbs.com/knowledge/the-nbs-guide-to-facade-greening-part-two>

⁸⁴ <https://www.rhs.org.uk/advice/profile?PID=818>

⁸⁵ <https://livingroofs.org/wp-content/uploads/2016/03/grocode2014.pdf>

⁸⁶ <http://www.susdrain.org>

soil below) based on their ability to infiltrate, store and evaporate water. The BAF is viewed positively by city planners, architects and developers, who have praised its simplicity and flexibility, however, it is recognised that it cannot be used to assess the environmental impact of a scheme.

A3.3.3 Malmö, Sweden - A complex GSF scheme was trialled in 2001 in a new residential development in the post-industrial Western Harbour area of Malmö. The original purpose was to ensure that adequate green space was provided on every plot and that sealed surfaces were minimised. A minimum score of 0.5 was set. The quality of some development did not match the planning authority's expectations so the scheme was subsequently revised to include a Green Points System. The system was designed to improve the quality of landscape design and to encourage the inclusion of features that increase biodiversity. The scheme is now being applied to a wider area within Malmö as well as the neighbouring town of Lund.⁸⁷

A3.3.4 Seattle, USA – Seattle, in the State of Washington, adopted a GSF scheme in 2006 and expanded it in 2009. It was modelled on the Berlin BAF. The three priorities of

Seattle's scheme were: live-ability; ecosystem services; and climate change adaptation. As with other schemes, Seattle's has a catalogue of landscape elements, each with its own score, and a requirement for project proposals to meet a minimum overall score. Minimum scores vary according to zones, with residential zones requiring the highest scores and commercial and industrial areas, lower scores. To qualify for certain scores, landscape features must comply with detailed standards set by the city. For example, bio-retention facilities must include adequate soil volumes.⁸⁸ Increased diversity of planting is also encouraged. The scheme includes a provision for bonus credits for drought tolerance, irrigation with harvested rainwater, landscape features visible to passers-by and food cultivation. For a scheme to be awarded a score, it must be submitted with a landscape plan and landscape management plan and submitted by a licensed landscape professional. A landscape professional must also verify that the landscape scheme has been installed in conformance with the approved plan. Since the scheme was adopted, Seattle's Department of Planning and Development has noted higher quality and better-integrated landscape design, with increased use of permeable paving, green roofs, and green walls.

⁸⁷ Annika Kruuse (2011) GRaBS Expert Paper 6 the green space factor and the green points system

⁸⁸ City of Seattle (2015) Director's Rule 30-2015: Standards for Landscaping, including Green Factor

A3.3.5 Washington DC, USA – Washington DC has the Green Area Ratio (GAR).⁸⁹ It was introduced in 2013 and revised in 2016 and is very similar to the Seattle scheme. It has been established by regulation and applies to all applications for building permits for new buildings and major renovations (with a few exemptions). The satisfactory implementation of a landscape scheme, that has met the minimum GAR score, must be demonstrated by a Certified Landscape Expert, before a certificate of occupation may be granted. The scheme gives high scores for trees (measured by canopy size), intensive green roofs and the conservation of existing soil. Target scores vary according to planning zones, with differentiation between residential, mixed use and downtown (city-centre) areas.

A3.3.6 Helsinki, Finland - Helsinki considered a GSF scheme as part of its Climate-Proof City – Tools for Planning (ILKKA) project (2012-2014).⁹⁰ The approach was to test the operation of a tool and to use the tool to assess design options in two new development sites (Kuninkaantammi and

Jätkäsaari). A unique scoring system was developed by a panel of local experts. Issues considered were ecology, functionality, amenity and maintenance, with the ecological and functional goals prioritised over amenity and maintenance. Minimum scores were set for various land use classes, including residential (0.5), office (0.4), commercial (0.3) and industrial/logistics (0.2), with an expectation that higher targets would be met. These targets reflect the typical differences in the extent of greenspace provided within these development types in Helsinki.

A3.3.7 Singapore – Singapore, which has promoted the ‘City in a Garden’ vision, has explored a Green Plot Ratio (GnPR), which measures overall leaf area and compares this with site area. Typical leaf area indices for trees, palms, shrubs and grasses are used in the calculations and it is hoped that the intention is for the GnPR approach to assist in evaluating green infrastructure on tall buildings.⁹¹ Singapore has also been at the forefront of promoting green roofs and green walls on tall buildings through its Skyrise Greenery scheme of

⁸⁹ Washington DC zoning codes <http://handbook.dcoz.dc.gov/> and map <http://maps.dcoz.dc.gov/zr16/map.html#!=14&x=8565251.4999999998&y=4709970.999999999&mms=18!26!21!24!22!19!4!8!1!2&dcb=0>

⁹⁰ http://ilmastotyokalut.fi/files/2014/11/Developing_Helsinki_Green_Factor_Summary_13032014.pdf

⁹¹ <http://global.ctbuh.org/resources/papers/download/286-greening-the-urban-habitat-singapore.pdf>

incentives and awards.⁹² Singapore is also noted for promoting high-rise bridges and gardens, which provide opportunities to exercise and relax without descending to the ground (e.g. the Pinnacle@Duxton skybridge).⁹³

A3.3.8 London - The Greater London Authority (GLA) included the Urban Greenspace Factor (UGF) tool as part of its Urban Greening policy in the draft New London Plan.⁹⁴ The UGF tool follows the approach first developed in Berlin, with some uplift of scores to encourage good quality green roofs and larger tree pits. Following on from the approach advocated by the GLA, the City of London's planning department has endorsed the use of a GSF tool as part of its approach to urban greening. Urban greening is now part of its draft City Plan 2036.⁹⁵

A3.3.9 Southampton - Using a GSF tool is a requirement for applications within Southampton's City Centre Action Plan (AP 12), which in 2015, required 'all developments (and especially key sites) to assess the potential of the site for appropriate GI

improvements by using the Council's Green Space Factor tool, and to improve the score for the site.'⁹⁶ For other sites not within the City Centre, the council encourages, but does not require, use of the tool. Scores are assigned according to the rate of infiltration of rainwater for each landscape element.⁹⁷ The scoring system takes into account existing land cover, encourages retention of existing features and requires an overall increase in score compared with the existing condition. Performance requirements for surface cover types are not prescribed (as they are in the US for example). A completed spreadsheet is submitted as part of an application; however, there is no requirement for a suitably qualified professional to do this and no mechanism for verifying that a scheme has been implemented satisfactorily.

A3.3.10 All schemes allocate scores to various categories of surface cover included in planning proposals. Depending on how a scheme is operated by an authority, failure to meet the target can result in rejection of a planning application, or an indication that a proposal needs to be amended, to include a

⁹² <https://www.nparks.gov.sg/skyrisegreenery>

⁹³ <https://www.timeout.com/singapore/things-to-do/the-pinnacle-duxton-skybridge>

⁹⁴ <https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/draft-new-london-plan/chapter-8-green-infrastructure-and-natural-environment/policy-g5>

⁹⁵ <https://www.cityoflondon.gov.uk/services/environment-and-planning/planning/planning-policy/Pages/Local-Plan-Review.aspx>

⁹⁶ Southampton City Centre City Centre Action Plan, Adopted Version 18 March 2015

⁹⁷ <https://www.southampton.gov.uk/policies/Green-Space-Factor-tool.xls>

larger area of GI overall, or elements with higher functionality. Cities usually set a minimum score that must be met and some have targets to encourage developers to be more ambitious and innovative, or they may have requirements which relate to the delivery of a specific function or outcome (e.g. stormwater management).

Swansea Central Area: Regenerating out City for Wellbeing and Wildlife

Consultation Report (Appendix B)

INTRODUCTION

There is clear evidence from the UN Intergovernmental Panel on Climate Change (IPCC) that by 2050 the Swansea Central Area will have periods of intense heavy rainfall, droughts and rising temperatures. The benefits and cost-effectiveness of green infrastructure (GI) in adapting to and mitigating for climate change are well documented, along with a wide range of other social, environmental and economic benefits. The regeneration currently underway in the Swansea Central Area provides a perfect opportunity to design in multi-beneficial GI improvements.

Swansea Council's Strategic Planning and Natural Environment Section and Natural Resources Wales (NRW) employed Green Infrastructure Consultancy (a world leading expert in the GI industry) to develop a GI strategy using the ideas and issues raised from stakeholder engagement. This was conducted through a series of workshops, meetings, training days and presentations with colleagues from Swansea's Public Service Board (PSB) partnership, private, public and third sector in February 2019. 634 face to face conversations were held with members of the public in 10 locations across the Swansea Central Area. Sessions with the 4 primary schools within the catchment were held along with stakeholder meetings with 6 residents' and local interest groups, together with social media engagement using #citynature / #naturynyddinas. These conversations demonstrated an overwhelming desire for more nature in the city, with stakeholders talking about the contribution nature makes to their personal mental and physical wellbeing and to their desire to live, work and visit the city centre. Swansea workers, residents and visitors wanted a greener city with less hard surfaces. A city which provides space for wildlife bringing people joy, and an improved visitor and trading experience. A destination and liveable city which can adapt to and mitigate for climate change.

The strategy's vision and strategic objectives reflect the opinions, words and ideas from the engagement process. In response to stakeholder conversations it explores the benefits and cost-effectiveness of GI, such as: reduced flood risk; summer cooling; cleaner air and water; reductions in noise; shelter from the wind; better mental and physical health; gains in biodiversity; reduced CO2 emissions and energy costs; and a strengthened economy. It sets out an intention to double the amount of GI in the city centre over 10 years, and details existing assets and the opportunities for creating a GI network by using 5 core principles of: multifunctional; biodiverse; adapted for climate change; healthy; smart and sustainable. The strategy includes a Green Space Factor Tool - designed to measure the quantity and functionality of green space. The strategy is designed to support the Local Development Plan (LDP), Policy ER 2 Strategic Green Infrastructure Network and emerging Supplementary Planning Guidance (SPG) on GI. It contributes to NRW and Swansea Council's duties under the Well-being of Future Generations (Wales) Act 2015 and, Environment (Wales) Act 2016, and will support the application of the Statutory SuDS Standard 2019 and the Swansea PSB's Working with Nature Objective.

DRAFT STRATEGY CONSUTATION

The draft strategy went out to public consultation between 22nd November 2019 and the 31st December 2019. The consultation process included an online survey and consultation events were held at the 4 primary schools within the catchment area and in Swansea Central Library.

CONSUTLATION RESPONSES

45 survey responses were received. One email response was also received, and comments from the school and library sessions were also recorded.

Completed survey responses are reported in the tables and charts below. Charts present the findings from multiple choice questions, whilst written comments are listed in a table under each question. The comments received from the school and library sessions are also listed in tables below.

The Council's GI Steering Group considered each comment and allocated an appropriate response / action from those defined below.

A = **Amend Strategy**

AP = to be addressed in the strategy **Action Plan**

OS = comment **out of scope** of the Strategy / not applicable

N/A = comment noted but **no action** required

SUMMARY OF RESPONSES

Overall the strategy was very well received. Over three quarters (79%) of survey respondents agreed with the strategy's vision (Question 1). Over three quarters of respondents also either agreed or strongly agreed with the strategic objectives, but some questioned the relationship between the strategic objects and targets particularly around the implementation of quantitative targets (Questions 2 and 3). As a result the GI Steering Group reviewed and revised the strategic objectives in order to provide SMART objectives which reflected each component of the vision. Elements of the original objectives were also considered to be more appropriately expressed as performance indicators. Specific comments are included in the tables below and in Appendix 1 which sets out the amended strategic objectives and related performance indicators.

A number of comments (Question 4) referred to GI improvements at locations outside the geographic area defined by the strategy so were identified as being out of scope. However, the Council has begun work on a County Wide GI Strategy which will address many of the currently out of scope issues raised. There were a number of comments which focused on the need to raise knowledge and skills, provide training, engage with stakeholders and the community, and around the issue of maintenance (Questions 5, 8 and 9). These points are reflected in the revised strategic objectives and performance indicators (see Appendix 1), will be implemented through the Action Plan and success monitored via a monitor and evaluation process.

The targets (now performance indicators) to increase canopy cover to 20% - 25% by 2044 and double terrestrial GI from 13% to 26% by 2030 received a number of comments (Questions 3 and 12) both in terms of what baseline data was available and whether the target was too ambitious or ambitious enough. The terrestrial GI figures in Table 3 of the Strategy were based on Ordnance Survey mapping¹ and confirmed by a ground truthing survey (walking the site to add new or remove no longer existing GI) in October 2020. Latest canopy cover studies² date back to 2013 and place the canopy cover at around 7%, but this data is historical and unlikely to reflect accurately the current cover in the Swansea Central Area. Recent studies³ recommend setting an average tree canopy cover of 20% (15% for coastal cities) as a minimum for most UK towns and cities. As such these performance indicators are considered to be appropriately ambitious given the physical constraints of a highly urbanised area. Both the GI percentage and canopy cover percentage will be periodically surveyed as part of the strategy monitoring process.

The respondent data demonstrated that more men (62%) than woman (38%) responded to the survey. Of the survey respondents 60% (31 respondents) live within the County (SA1 – SA6).

The session in Swansea Central Library and those held in the catchment primary schools focused on the vision and strategic objectives. Consultees were supportive of the vision and objectives. In particular the school sessions focused on simplifying the language of the vision and strategy.

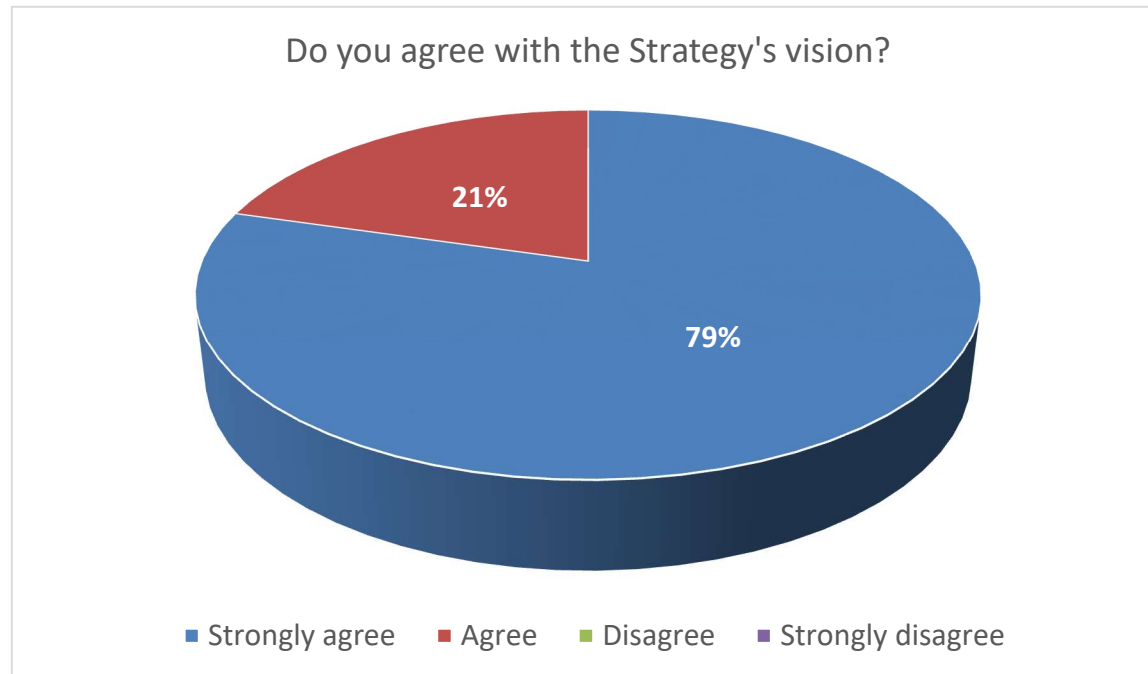
¹ 13% overall terrestrial GI cover was estimated in March 2019 based on Ordnance Survey map data, Jan 2019 and confirmed in October 2020 following a ground truthing survey

² Canopy cover – there are two recent publications which have looked to measure canopy cover; *Valuing Urban Trees in the Tawe Catchment, (2016) Kieron Doick, Angiolina Albertini, Phil Handley, Vicki Lawrence, Kenton Rogers and Heather Rumble*, which states that the Tawe catchment in 2014 had a 16% urban tree cover, equal to an area of 1,119 ha. The trees were primarily found in parks, on residential land and on vacant land, and *Town Tree Cover in the City and County of Swansea: understanding canopy cover to better plan to manage urban trees (2016) Natural Resources Wales*, which states that canopy cover in the Swansea Central area was 6% to 7% (measurements were broken down by Lower Social Output Areas / Welsh Index of Multiple Deprivation Custer Areas). The assessment was undertaken by iTree in 2013.

³ Doick, K.J, Davies, H. J, Moss, J., Coventry, R., Handley, P., Vaz Monterio, m., Rogers, K., Simkin, P: *The Canopy Cover of England's towns and Cities: baselining and setting targets to improve human health and wellbeing* Conference Proceedings of TPBEIII. Urban Trees Research Conference 5-6th April 2017 Institute of Chartered Foresters, Edinburgh.

CONSULTATION RESULTS

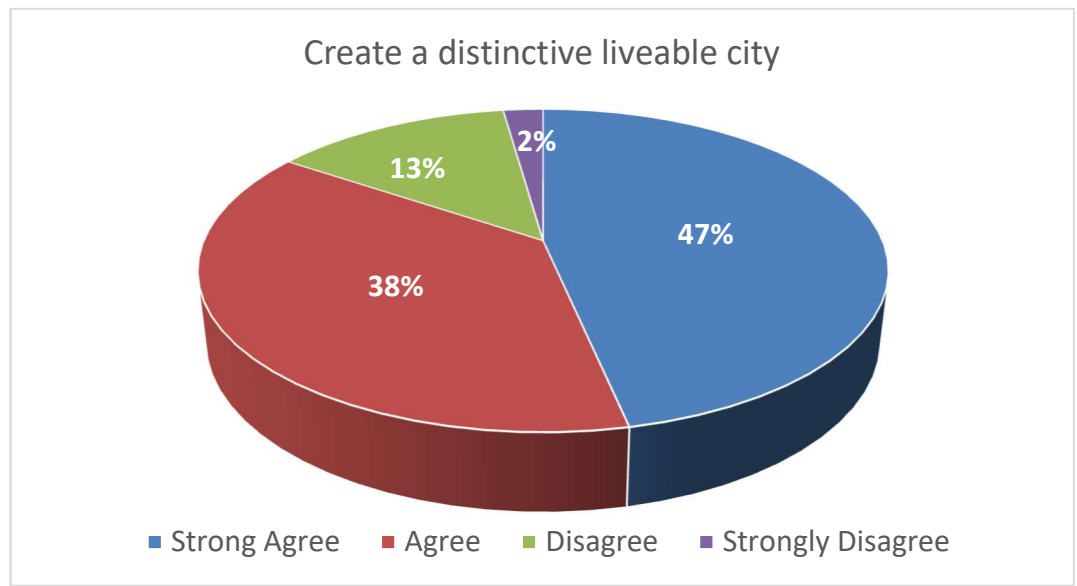
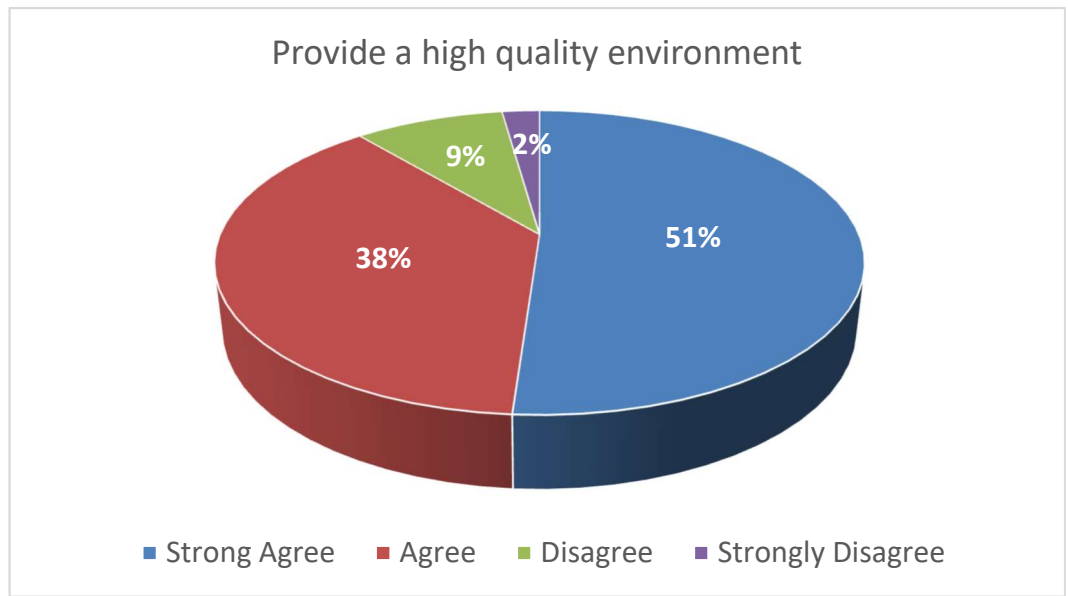
Question 1: The Strategy's vision is for 'A City of high quality multifunctional green infrastructure delivering resilience, prosperity, nature, health, wellbeing and happiness to the citizens and visitors of Swansea'. Do you agree with this?

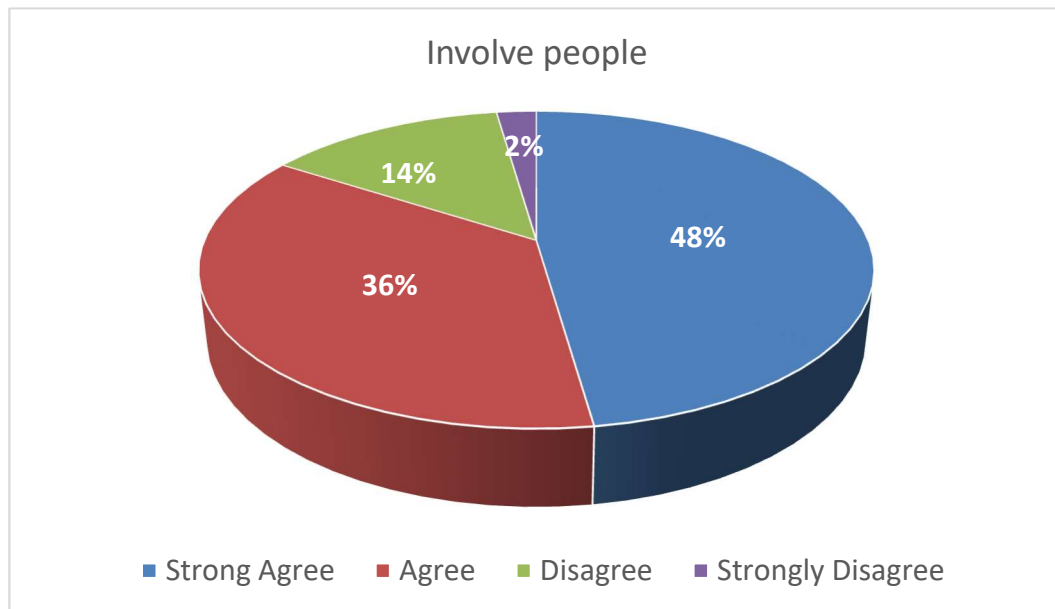
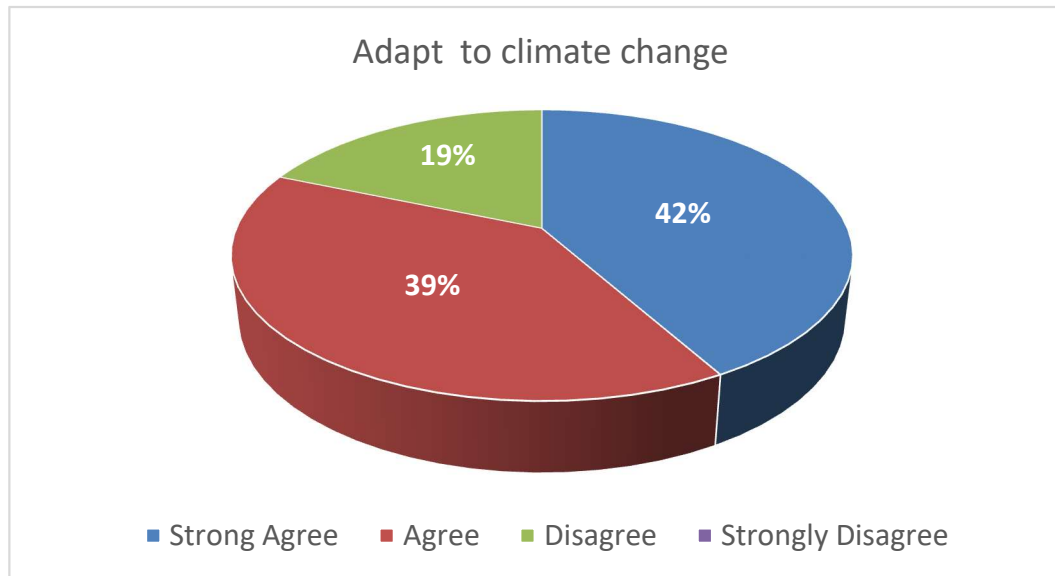


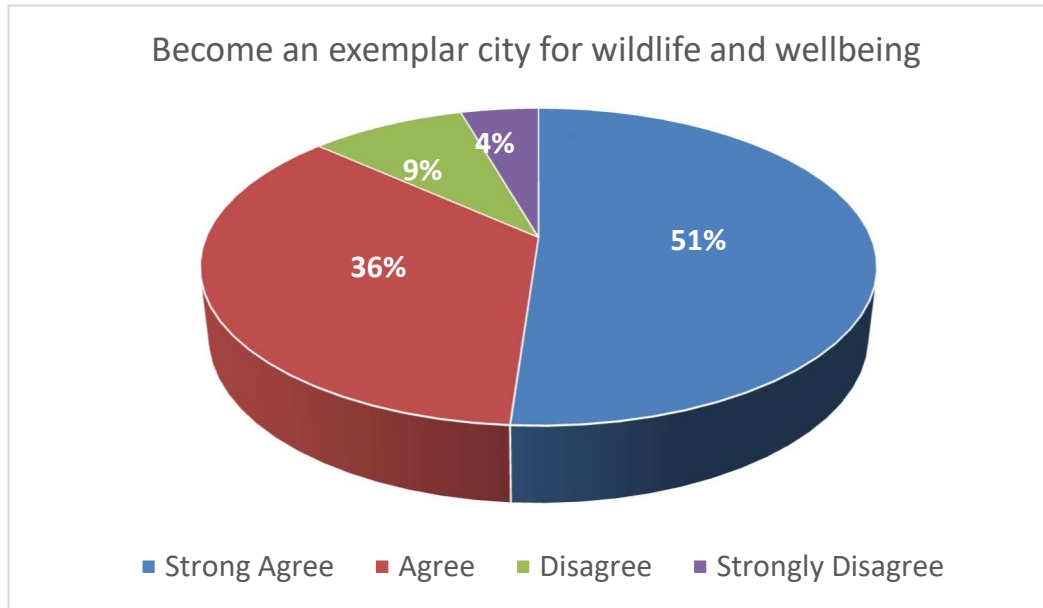
Comment	Action				Response
	A	AP	OS	NA	
Absolutely agree, but all departments within the Local Authority have to accept this step change and fully embrace this different, yet much needed approach. I am thinking rainwater run-off solutions, and also configuration and specification of highways. Provide proper training for relevant officers.		X			Training addressed though the strategic objectives.
Excellent idea but I'm concerned that it won't be implemented fully. I've seen the Kingsway development not going far enough in terms of green space and vegetation especially trees and flowers. There is way too much pavement and those grass sections are very feeble attempts at green space.				X	Implementation via the strategic objectives, steps and actions, performance indicators and targets, all of which will be tracked through the evaluation / monitoring process (see Appendix1).
I strongly agree that GI, as described in the strategy, will contribute to delivering the benefits you describe. I fear you may be setting expectations too high by suggesting that GI can be as transformative as suggested. There are many factors which influence health and happiness, for example, other than urban GI, over which this strategy has no control.				X	
I think that the main focus should be on providing green spaces for nature within the city to improve biodiversity. These can then be accessible to the public to improve health and well-being.				X	
It is what the Americans call a "Motherhood and Apple Pie" question but so far so good.				X	
It would be a mistake to measure prosperity in purely financial terms, well-being is an important element of prosperity, and well-being depends on a variety of environmental factors including traffic free areas for leisure and walking within the city environs. It is difficult to see how the proposed digital arena will enhance the well-being or environment of the city for residents or visitors.				X	Arena development includes significant GI improvements in the proposed coastal park, which provides an outdoor amenity area for residents and visitors and environmental improvements.
Living walls, green top bus stops, greener Castle Square garden, a greater push for greener forms of transport. Frequent boat trips up the river to the stadium. Improve parks such as Singleton. Create a new attraction like daffodil hill in California. Which if you look it up, was a successful attraction.			X	X	Comments on transport to be shared with relevant service areas. County wide strategy will cover the adjoining districts and links.
More greenery is needed whether it's grass, trees or living walls. Castle Square garden is in desperate need of this. Singleton Park			X	X	Singleton Park lies outside the area covered by the City Centre Strategy, and

is also in need of some urgent action. One of the ornamental gardens looks neglected. Also instead of building houses at the farm build a community centre and link it up with the hospital. Be great for cancer patients or for patients with mental health issues to get out and get some fresh air. Could even been used as a physiotherapy unit if a small farm with some horses were introduced.					is therefore out of scope for this document. However the emerging Countywide GI Strategy will address this issue. Castle Square is part of the green artery.
Personally I would specify "high quality, accessible, multifunctional GI"				X	Accessibility is covered under the GI principle of multifunctional.
This should be one of the top				X	
Would love to see that this plan goes further than a vision. How can these 'resilience, prosperity, nature, health, well-being and happiness' be measured? It would be good to talk to businesses and people who commute to the city regularly to get a genuine picture of how the city has responded to the new strategy and planners can quickly adapt where these indicators fall short. I feel it's not all about the city centre but the way of life around Swansea that should be included in assessing our health, wealth & happiness. A large part of this would be to improving transport links so people can get to places via public transport cheaply, independently and reliably. I'm concerned as a resident of Swansea for 15 years there's been no reliable change to our public transport system despite all the developments in this sector regards other modes of transport. It's very sad to see no strategy in place for dealing with large spikes in use for events like Air Show and Christmas lights, where taxis will not pick up the phone and not drop off. I feel these are the periods that show a lack of vision in terms of improving on this indicators and people's impression of Swansea.				X	The emerging Countywide GI strategy will consider the issue of Active Travel links. The strategic objectives and targets have been reviewed to ensure they reflect each element of the vision clearly and have associated PIs which will be measured and monitored (see Appendix1).
Yes a good effort towards these important goals, thanks!				X	

Question 2: The Strategy's strategic objectives are set out below. Do you think the strategic objectives will enable this vision to be achieved?







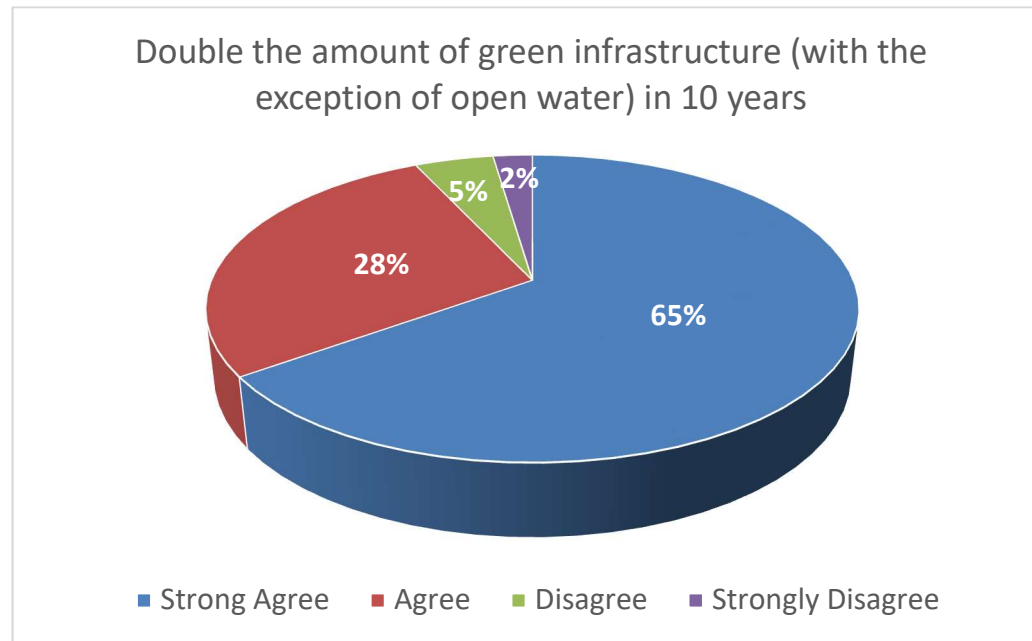
Comment	Action				Response
	A	AP	OS	NA	
I think this is an excellent vision				X	
I think the objectives are great. What isn't clear is the quantitative element - how much GI is required in a particular situation to deliver a particular objective. It's not clear whether your targets for GI and green cover are entirely pragmatic or whether they relate to an evidence base.	X	X			<p>Targets are to become Performance Indicators (PI's). Targets for GI increase were developed with Green Infrastructure Consultancy and the canopy cover targets are taken from the recommendations made by Doick, K.J <i>et al</i> (see reference in footnote 3).</p> <p>Use of the GSF tool will help to determine the quantitative element for a particular application.</p>

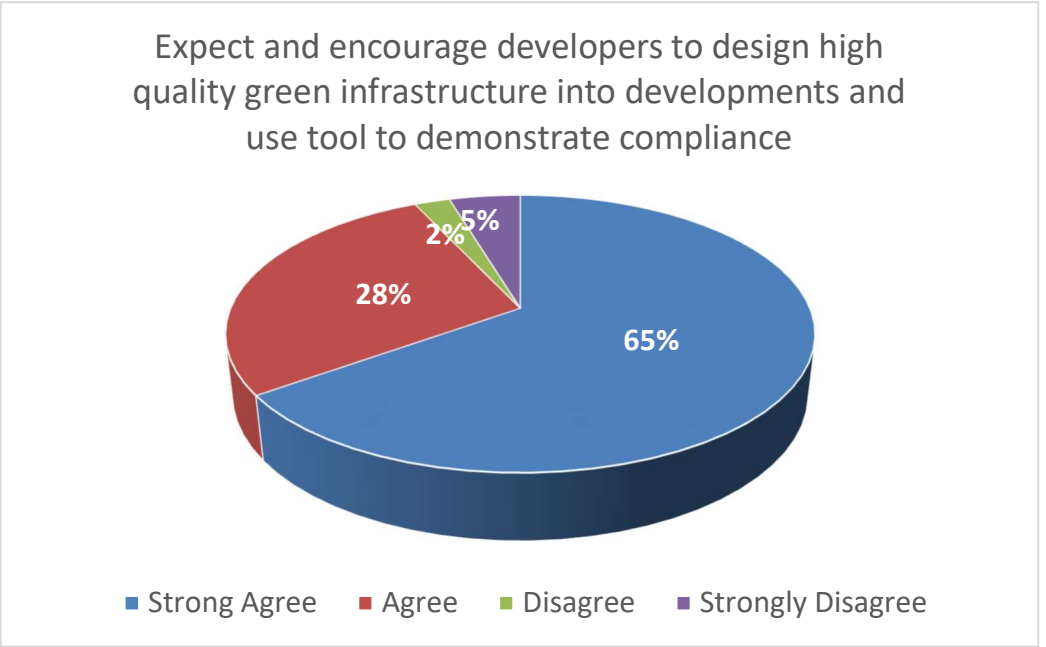
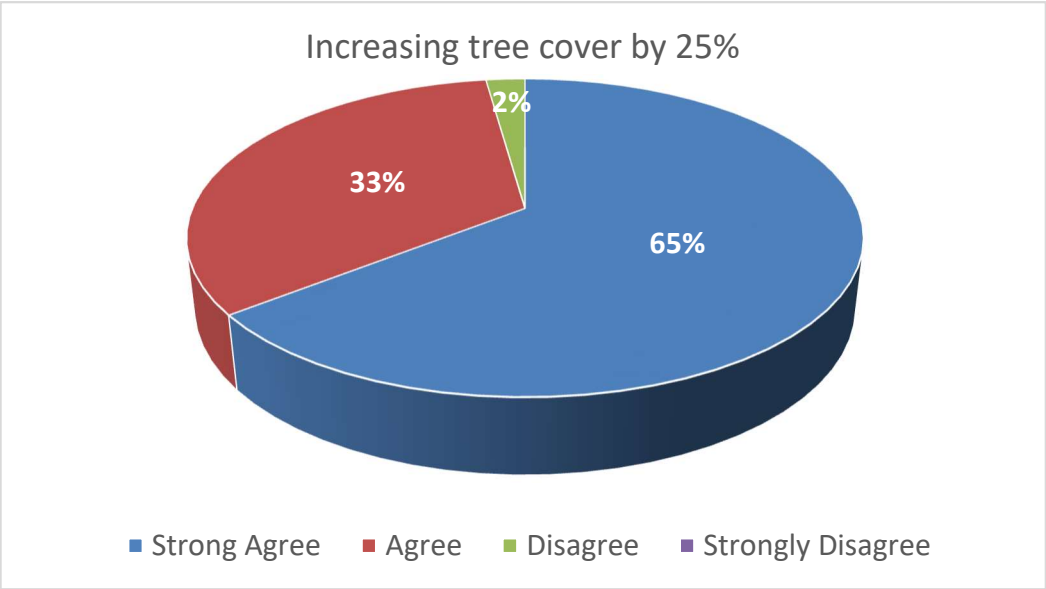
<p>Difficult to answer honestly as the definition of each objective is not fully understood from the list above - what does each objective mean? Overall i do agree they would enable the vision to be achieved</p>	X			<p>The strategic objectives have been reworded to make them clearer and a set of PI's has been added.</p>
<p>This is a new idea and a lot will need to be worked out on the fly (especially now the city has committed to the greening plans for the City Centre). Perhaps ideas could be developed as the new trees and grassed areas come to require maintenance.</p>		X		<p>The strategic objectives and the monitoring and review process ensure learning and continuous improvement.</p>
<p>I agree. I think more could be done and I think it could be more ambitious - currently this is slated for impact by 2030 and 2044. Why can't it be done quicker? Why can't you also affect how new buildings are put up? Say they'll only get planning permission if they have green roofs and walls.</p>			X	<p>The reference to canopy cover targets has been removed from the strategic objectives and a specific PI created.</p> <p>The timescales stated in the PI are considered realistic for the types of improvements to be measured i.e. canopy cover from mature trees. However the impacts of GI will evolve from 2020 forward.</p> <p>Introducing 'green' planning conditions is outside the scope of this strategy. However, all new developments will be considered against the requirements of national planning policy and adopted LDP Policy which require that development maximises opportunities to maintain and enhance GI. SPG on GI will also be prepared to provide further guidance on the implementation of planning policy.</p>
<p>It's difficult to identify the actual strategic objectives from this consultation document-the draft strategy, which undoubtedly was expensive to commission contains much information and many tables which have been lifted from other documents. The particular maps are not particularly informative for most people and would confuse rather than clarify for most of the population. I suggest an easy read document is produced with specific and</p>	X			<p>The strategic objectives have been reworded to make them clearer and PIs added.</p> <p>The Action Plan will further inform actions and a plain English / strategy on a page version is planned.</p>

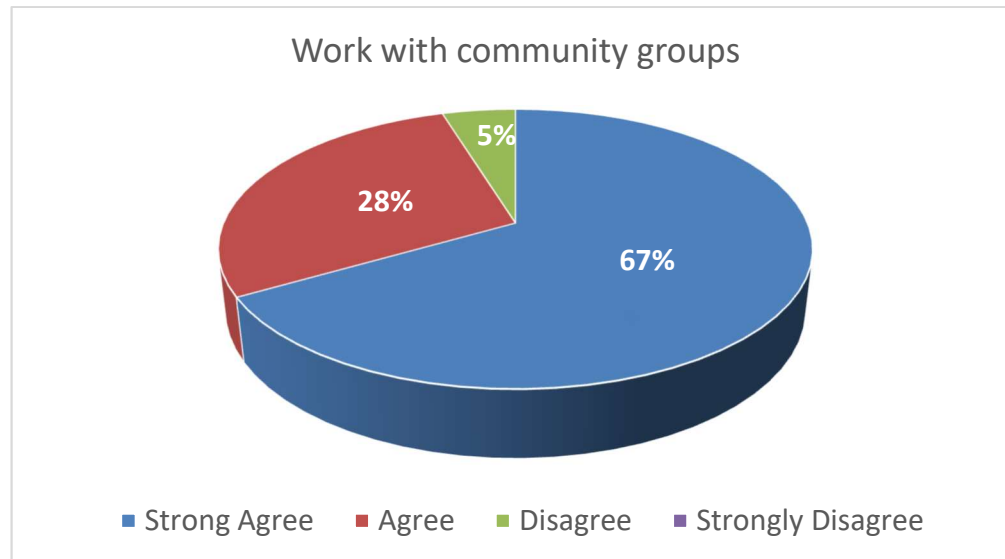
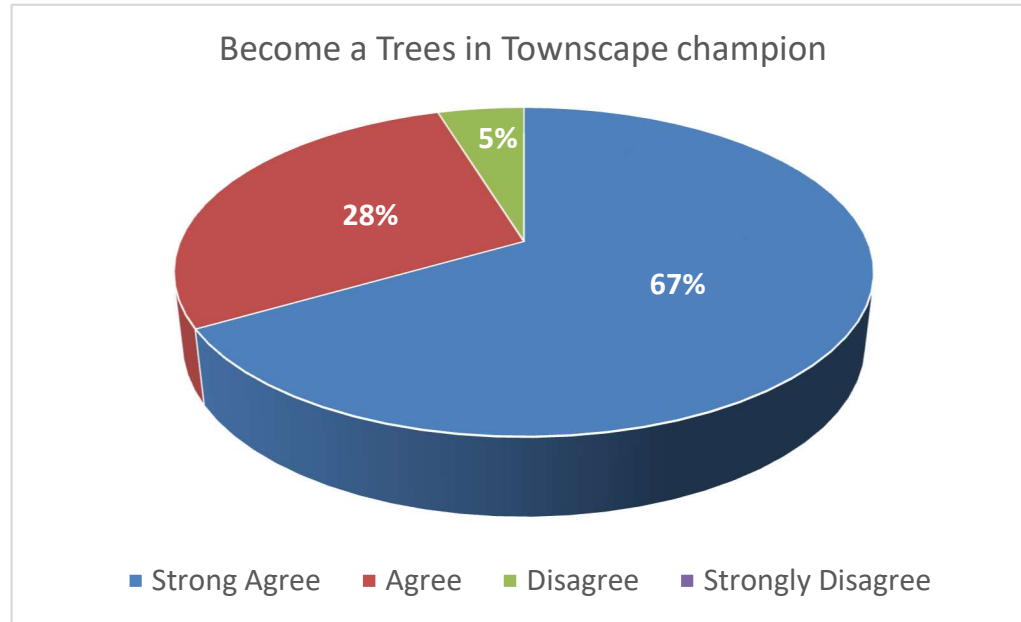
clear area proposals. For example: the existing 'community forest' which was planted some decades ago, will now be refreshed and maintained and linked with the central city green areas in order to facilitate 'green corridors' to support wildlife and enable residents to walk across the city in a healthy and pleasant environment following paths through existing woodland where possible.					
Swansea has the potential for providing all this which is encouraging; it's the sectors where funding is lacking that will end up failing without intervention and some form of linking i.e. we can't involve people by creating an event where there's little thought toward the climate or natural habitats, there should be a clear strategy that makes people think about how they get there and ways they can help the clean-up. But there should also be an event after the event that mitigate its impacts.				X	Comments on event mitigation measures to be shared with relevant service areas.
Should be accessible to everyone	X				An easy read / strategy on a page version is to be developed.
The city has no hope!				X	
Create small attractive looking tuck shops/stalls for small start-up businesses to use/rent. Dot them around the city. One by Castle Square, Kingsway, St David's and along the Bay. The one by Castle Square could rent out or offer deckchairs for people to use in the summer months. Castle Square needs a much higher quality environment. Give the people their park/garden back.				X	This is being picked up by the feasibility study for Castle Square.
But would like to see all Kingsway buildings either demolished or revamped, because they make the city centre look like warzone and one of the main causes of the sadness look of the city				X	
The two variables in here are around siting and design. For these objectives to be achieved and the vision delivered, design quality must be high, and location of GI must be appropriate, where it's environmental impact can be maximised and where it can be accessed and the social benefits enjoyed by a wide range of communities.				X	
The areas for people, within the town centre, should be turned inward and not looking at the road, there should be some areas				X	There are a number of ways of creating boundaries to a play space, and play

fenced for children. There must be things to do (tea shop) and look at (water features).					spaces should be appropriate to the context of the proposals and the wider area. The seats within the City Centre are not all orientated facing the road. They allow multiple aspects of the area with additional features to be introduced as part of the GI proposals
Improving air quality should be a major goal.	X				Air pollution is addressed under benefits of green infrastructure Chapter 1 and is one of the ecosystem services depicted in the GI typologies (Appendix 1 of the Strategy), and through the strategic objectives to provide a high quality nature rich environment and a city resilient to the impacts of climate change. Figure 1 (now Figure 3) amended to include air quality.
I hope this is implemented to its full potential but I have my doubts based on previous efforts and current plans. Lots of trees, plants and green spaces to sit and relax		X			Implementation to be tracked through the delivery of the strategic objectives, steps and actions, performance indicators and targets.

Question 3: To enable us to achieve our strategic objectives we will aim to achieve the following. Do you consider these aims appropriate and deliverable?







Comment	Action				Response
	A	AP	OS	NA	
Again, I agree in principle. I think you should include something in the strategy around what performance indicators you will monitor to establish to what extent the vision and strategic objectives have been realised.	X				Agree. A set of performance indicators have been added to the final version of the strategy.
Is it increasing tree cover by 25% from what there is now, or from what it was prior to the trees all being cut down? Unless you can force developers to install green infrastructure they will not due to cost.				X	<p>The performance indicator seeks to increase canopy cover to 20% / 25%, rather than by 20% / 25% i.e. to increase canopy cover to 25% of the Swansea Central Area.</p> <p>This is considered to be an appropriately ambitious aim and is based upon research and evidence contained in <i>Town Tree Cover in the City and County of Swansea: understanding canopy cover to better plan to manage urban trees</i>, NRW 2016, which references the most recent canopy cover measurements undertaken by iTree in 2013 which report that the average canopy cover for the Swansea Central Area was between 6% and 7%.</p>
Not sure of the amount of green infrastructure in place currently				X	The strategy is based upon a baseline figure of 13%. This is based on a data survey completed in March 2019 of terrestrial GI (i.e. excluding the marina), which has been confirmed by a 'ground truthing' survey completed in October 2020.
That 25% tree cover increase by 2044 seems little to me				X	The aims in the strategy are considered to be appropriately ambitious and are based on research which recommends setting an average tree canopy cover of 20% as a minimum for most UK towns and cities, with a lower target of 15% for coastal towns. The aspiration of 25% is therefore considered very ambitious for Swansea (see footnote 3 for research reference).
These objectives should be aimed for a LOT sooner than stated here. These deadlines are too late.				X	<p>Strategy targets include:</p> <ol style="list-style-type: none"> 1. Increase terrestrial green infrastructure to 26% by 2030.

					<p>2. Increase canopy cover to 20% - 25% by 2044.</p> <p>These deadlines are considered to be reasonable and realistic targets over these periods to achieve the improvements in quantity and quality of GI which the strategy is seeking to achieve.</p>
There's no point going about this half-heartedly. Let's do this properly and aim for all the top level goals, even if we fail to achieve them.				X	See above response.
I think you need to push harder to achieve this more quickly.				X	See above response.
Maximising the green resources which already exist is an important element in achieving these objectives. Please revisit and revive the 'community forest' which was planted some decades ago and is in need of maintenance and sustenance.				X	<p>The strategy looks to both improve and enhance existing GI and create new GI.</p> <p>The community forest areas: Tawe Corridor, Kilvey Hill and Northhill Wildlife Corridor are outside the Swansea Central Area and therefore outside the scope of the strategy.</p>

<p>Green infrastructure should be mandatory for any future development in the Swansea Central Area. I'm largely encouraged by Swansea Councils response to the climate crisis and positive vision on its greenspaces... I recently asked whether I could plant a tree on my street... I wasn't able to but was recommended to look to a local park... Having seen some trees being planted in a park only to be snapped and removed soon after I hope developers are encouraged to look for innovative responses to creating Green infrastructure such as vertical greening, technological responses that are built into their projects and are an integral part of their upkeep. Planting improving native biodiverse habitats for flora and fauna is also an education and carbon sink often overlooked by new builds that prefer to concrete and garden rather than improve an areas biodiversity, flood resistance etc... and here is where the latest understanding and innovations would be helpfully introduced at planning stage so we're not only looking to them but they look to the council for support and knowledge</p>			X	<p>Introducing planning restrictions is outside the scope of this strategy. However, all new developments will be considered against the requirements of national planning policy and adopted LDP Policy, which require that development maximises opportunities to maintain and enhance GI. SPG on GI will also be prepared to provide further guidance on the implementation of planning policy.</p>
<p>If developers don't have the do these things by law and are only expected or encouraged to are they going to do it or just give the bare minimum?</p>			X	<p>See response above.</p>
<p>Castle Square garden is in need of more greenery. One of the new plans I've seen floating about online looks set to fail already. By introducing levels with a unit... which looked more grey than green.</p>		X		<p>Regeneration projects will be influenced by the requirements of the strategy.</p>
<p>I think that it is very important to engage both developers and the community with improving</p>			X	

and increasing green spaces as this will help the goals to be achieved.					
Yes...but we need deep understanding and commitment from all officers...not just lip service and tick boxes!		X			The strategic objective to <i>create a skilled and knowledgeable local economy to deliver and maintain GI</i> includes steps / actions for building the local knowledge and skills around GI through events, training and sharing best practice. Implementation will be monitored through PI's (see Appendix1).
There are a number of partners that would support and work with the Council to help achieve these aims. We would be happy to support at Young-Dragons.co.uk and 2Benterprising.co.uk		X			Working in collaboration with partners is important and will be addressed through the delivery of the strategic objectives, steps and actions, performance indicators and targets (see Appendix1).
Who will clear leaves from trees when drains are blocked!!!				X	This will be addressed as part of the maintenance plan as with all public realm cleansing and maintenance. Leaf fall will be one of the considerations when selecting the types of trees to be planted
All of the above, but they need to be serious about implementation, and understand the implications of adopting these aims.		X			Implementation will be addressed through the Action Plan and monitoring PI's
I am the President for the Swansea University Tree Society and I would absolutely love to be a part of this project! I believe by involving the local students and residents we will help to further cement the lost connection between us and nature, which is a crucial element for overall mental and physical well-being.		X			Working in partnership is important and will be addressed through the delivery of the strategic objectives, steps and actions, performance indicators and targets. The Nature Conservation Team have good links with the University to explore wider GI and Biodiversity improvement opportunities.
All very good intentions.				X	
The plans for the Woolworths building look great! We need more like this! However My only concern is with it being social housing. Will they maintain and look after it? I've also noticed the plans involve a second public area which is great! However this too will also need to be maintained and looked after. After seeing what happened in Penlan with the trees it				X	

doesn't fill me with confidence. Something needs to be done to the building behind Argos.					
Reiterate earlier comments around design quality and siting of GI in order to maximise the benefits of these enhancements, rather than pursuing large-scale schemes which could deliver area-based or percentage targets while compromising the net gain in infrastructure. Initiatives such as Tiny Forests for example, could deliver concentrated improvements in GI in highly constrained spaces, so qualitative as well as quantitative targets will be important. Also an idea of the regulatory/legislative frameworks through which developers will be stimulated and supported to deliver high quality GI in a highly competitive and pressured construction sector.				X	Policy context for developers outlined above. The strategy is about improving quality as well as quantity
We can achieve this and more. This is a massive opportunity and I really hope this is not another half arsed attempt that doesn't satisfy expectations.				X	

Question 4: The Strategy focuses on enhancing green infrastructure in the Swansea Central Area from the train station to the Maritime Quarter. This includes High Street, Castle Square, St Mary's Church, St David's Church, across Oystermouth Road to the new Coastal Park. Green links will also be made with Oxford Street and the Kingsway to the west and the River Tawe to the east. Are there any other areas in the central area where you would like to see enhanced green infrastructure?

Comment	Action				Response
	A	AP	OS	NA	
Hafod up to Morrision			X		Area will be covered in County wide Strategy
St Helens Road			X		Area will be covered in County wide Strategy
There is scope to install GI on open top-level multi-storey car parks, such as close to the train station.				X	

Upper High Street to Dyfatty Lights, Dyfatty Street, Orchard Street.			X		Area will be covered in County wide Strategy
green areas in the city centre shopping area would be great				X	
Carmarthen Road approach, more park and rides.			X		Area will be covered in County wide Strategy
Roofs are perhaps a wasted opportunity but I appreciate that costs may be prohibitive. I would also like to see more trees and green areas leading out to the Uplands along Walter Road but doing this might perhaps be better achieved by encouraging the residential blocks and businesses in the old terraces on Walter Road to take up the concrete in their front garden areas and replace them with more permeable, greener surfaces. Too many of these elevated garden areas are just concreted over.			X		Area will be covered in County wide Strategy
The area around the maritime museum which forms a pleasant green should be maintained and extended. It is really important that the addition of a digital arena is not allowed to make this part of the city a no-go area for most of its residents and that the increased traffic which such an addition can be expected to generate is not able to make its impact on access to the city for residents and visitors who do not wish to attend events there which are most likely to attract occasional short term visitors with no investment in consideration of sustaining the city as a pleasant environment for residents and many visitors.				X	
Princess Way, especially the pedestrianised area leading towards the Kingsway.				X	
Villages and the outer areas of Swansea need to be thought of as well, not just central Swansea. There should be pathways and green areas accessible wherever we live.			X		Area will be covered in County wide Strategy
Why only central, this should include the whole sweep of Swansea Bay.			X		Area will be covered in County wide Strategy
I'm not one for looking up at roofs for fear of being crapped on by a pigeon or seagull but there are large				X	

roof spaces that are underutilised, I'm not even sure if I've seen a solar panel in the city centre.. However the improvements to rent/rates begs the question why haven't their owners considered installing these... Also Green Roofs and vertical walls are still a futuristic vision... it's a shame that cladding that's a danger to human life near Castle Gardens wasn't a moss and fern installation... Let's not jump on the plant tree bandwagon and think more strategically on how to achieve these goals					
The sa1			X		Area will be covered in County wide Strategy
North of the High Street all the way to Dyfatty lights and include Dyfatty Street all the way down to Alexandra Road too.			X		Area will be covered in County wide Strategy
Port Tennant Area			X		Area will be covered in County wide Strategy
Mayhill North			X		Area will be covered in County wide Strategy
Although this is focusing on the city centre it could in some way include ALL areas of Swansea. Just because visitors and the public are more likely to see the city centre, it doesn't mean the other area of Swansea should be ignored both residential and industrial. Everyone should be involved and given the chance to be.			X		County wide Strategy currently in development will cover all areas across the county.
Castle Gardens need to be green it should never have gone all concrete who's brilliant idea was that!!!				X	
These things don't happen overnight, but this is a good start. However, the Council needs to be serious. The station car park for example could provide a fantastic opportunity for greening the infrastructure right outside the railway station. We need to visible evidence that the strategy is delivering.				X	Performance Indicators have been added (see Appendix1). Implementation will be addressed through the Action Plan and monitoring / reporting on PI's. The station car park has been redeveloped.
If this was up to me, I'd utilise all of the space within Swansea to be covered in as much green infrastructure as possible! Wherever there is a space, I'd fill it with nature as we are at a point in time where we must put environmental solutions at the forefront of all that we do				X	

in order to secure a prosperous and liveable future for all.					
There is no "residency" in the city centre that would utilise this. Populous has been driven out of the city centre, there is no reason for people to visit, stay or use the facilities. The restrictive parking imposed across the city centre drives people away after 1 or 2 hour parking restrictions. Why pay to park when there are out of town free parking facilities available.				X	
The area around and including the old Albert Hall badly needs attention. That building is a real eyesore.				X	
This kind of exercise will need to take place throughout the city overtime, but the area identified is a good and logical starting point. In future it would be good to seek to build around and away from this area.				X	
The road that runs behind Argos. The building opposite the homeless shelter needs to be removed or replace. In that area there seems to be quite a bit of Japanese knotweed that needs to be removed.				X	Comments shared with relevant service areas.
SA1 area.			X		Area will be covered in County wide Strategy
Wind Street. The 'cafe quarter' we were promised years ago.				X	
The whole SA1 marina area is covered in pavement, during the summer it's unbearable to walk around in the heat and glare. The same goes for the bay campus, why is there so much concrete? Why restrict it to just these areas, why not apply it to the whole city centre. Also make Fabian Way have more green space, this could be a great entry to the city, where have the natural flowers gone? Also our terrible European boulevard needs to have grass and plants, again why is there so much pavement, its dull and dire looking.				X	A County wide GI strategy is also being prepared which will take into account these areas.

Question 5: To achieve and monitor the strategy's aspirations and to manage and maintain green infrastructure, Natural Resources Wales and Swansea Council are looking to work with local businesses, community groups, residents and other public organisations. This is only one approach, do you have any further suggestions on how we might monitor and manage green infrastructure.

Comment	Action				Response
	A	AP	OS	NA	
Annual update reports		X			A monitoring and reporting process will be developed as part of the Action Plan for implementation
Include the future generation in schools				X	Engaged with all 4 primary schools in the city centre catchment: Terrace Road, St Helens, Christchurch and Brynymor at the start of the preparation of the strategy. They were revisited during the draft strategy consultation stage. A 'strategy on a page' version is planned and will be shared with the schools.
I agree with your approach - the more benefit that people see, in particular local communities and businesses, the more keen they will probably be to ensure that their local bit of GI is well preserved. Those individuals will need to be encouraged to do this, to be "given permission" to intervene (such as the watering of street trees that's happening) and to see the feedback and monitoring that SC and NRW will do.				X	
Go to the source of some of the problem - traffic standing still				X	
The key will just be to ensure that all of those organisations work together and not at cross-purposes.				X	
Through planning permission, highways agency				X	Introducing planning restrictions is outside the scope of this strategy. However, all new developments will be considered against the requirements of national planning policy and adopted LDP Policy, which require that development maximises opportunities to maintain and enhance GI. SPG on GI will also be

					prepared to provide further guidance on the implementation of planning policy.
Employ your own direct labour force specifically for this work.		X			Training and developing skills was one of the themes which came out of the engagement process and will therefore be part of the implementation process addressed through the Action Plan. For example; Parks Services – training and upskilling for new GI technologies.
Have more car parks for people to park			X		Comment passed on to relevant service area.
Have an active input to planning applications that are being made, by businesses in particular, that can have massive effects on our health and wellbeing e.g. Biffa (proposed incinerator in Swansea). Please check this planning application. Having the Steel Works on our doorstep is bad enough.				X	See above response on policy requirements.
Annual Green Awards with specific categories for new builds, community involvement and individuals. Use of Green 'Ambassadors' from schools or community groups		X			One of the strategic objectives is to ensure stakeholder and community engagement in the development, design and maintenance of GI. This will be achieved through the Action Plan.
All groups should be involved not only Council nominated groups.		X			During the development of the strategy the Council endeavoured to engage with as many stakeholders as possible including spending time in 10 locations across the city centre where 634 face to face conversations with members of the public were held, also the strategy was publicised via social media and through community groups and local residents associations. The Council will be looking to continue the conversation via these methods and increase involvement as the strategy is implemented to assess its progress and success.
It would be a testing time if we are the first UK city to have a green Infrastructure strategy, I think we need to look to centres of excellence and try and try again if something doesn't work. Wealth is a funny thing and seeing new infrastructure fail is almost chucking money				X	

in the bin... once you have one example of where it works (solar panels, green roofs, vertical walls, it should be recommended almost like how we suddenly have 20 plus barbershops in town still surviving					
School involvement				X	Engaged with all 4 primary schools in the city centre catchment: Terrace Road, St Helens, Christchurch and Brynymor at the start of the preparation of the strategy. They were revisited during the draft strategy consultation stage. A 'strategy on a page' version is planned and will be shared with the schools.
By getting schools, colleges and universities involved. Give the public some pride in their city. If people know that their kids or someone else's kids helped plant flowers, design the garden, build insect boxes, bird boxes.... People will want to look after it and protect it. Would also help with getting people on board with the idea. Also use the new display screens dotted around the city to show this work off. I've said many times before how these screens could be used to showcase poetry from schools, colleges, and universities.... All ties people into the city. Yes advertise shops and restaurants but the screens should also be used for many other things.				X	See engagement with stakeholders response above
Employing a sustainability officer to oversee the plans.				X	The Council's Nature Conservation Team Sustainable Policy Officer and NRW's Sustainable Places Officer are jointly leading on the development and implementation of the strategy.
Do with the people not too the people if possible.		X			NRW and the Council were keen to put stakeholders at the centre right from the start. The project started with an engagement programme designed to speak to as many people as possible about what nature in the city meant to them. The final version of the strategy has been amended to provide a clear objective relating to stakeholder and community involvement

					accompanied by a specific performance indicator to measure the success of this objective.
National companies (who have plenty of financial resources) that have a presence in our city. The football and rugby teams, local news / media and celebrities.				X	
Get sensible people!!				X	
Engage communities on a wider scale. Provide opportunities to partake in events, join organisations like the Woodland Trust. This is a long term issue, and not just about a political cycle. Mother Nature does not negotiate nor does she respect political cycles,				X	See engagement with stakeholders response above
I implore you to consider working closely with the University Tree society as we are all extremely passionate about protecting and preserving our environment as much as possible. We would all be extremely happy to help with as much of this project as possible, so I hope to hear from you soon!				X	See engagement with stakeholders response above
Yes, pay the correct salary for professionally qualified staff in the Council to retain and encourage people to want to gain employment and work for the citizens of Swansea. We have now been left with unqualified, inexperienced people on our workforce, led by senior managers who are chasing salaries and not the betterment of Swansea.				X	An amended Strategic Objective focuses on building skills and experience within the Council and partner organisations (see Appendix 1). The Action Plan will also create a training programme to build capacity
Many young people are inspired by the current impetus for countering climate change; involve younger people through school discussion groups and forums.				X	See engagement with stakeholders response above
Create a city application. Encourage people to download it. In the areas such as castle square, Kingsway, High Street, the new public area by the oceans site, market, bus station, shopping centre. Install QR readers. Whenever bins need emptying, rubbish picked up, floors cleaned, maintenance to flowerbeds, grass cut. People can scan and select the issue. The Application can also be used to promote events, competitions like the best city picture, offers like the Swansea discount cards, public notices...			X		Comments to be shared with relevant service areas.

Earthwatch Europe is not local to Swansea, but we do provide a number of citizen science tools which can both connect people with the environment and contribute to monitoring the impact of GI improvements, which we would be keen to offer to Swansea alongside this strategy.				X	The strategy includes a revised strategic objective to ' <i>Ensure stakeholder and community involvement in the design and maintenance of GI</i> '. This is supported by a specific Performance Indicator (see Appendix1).
Work with local schools to develop green champions who can monitor for you whilst gaining an understanding of biodiversity and nature generally. Develop local environmental coordinators.		X			The strategy includes a revised strategic objective to ' <i>Ensure stakeholder and community involvement in the design and maintenance of GI</i> '. This is supported by a specific Performance Indicator (see Appendix1). The Action Plan will also contain actions to deliver this objective.
No doubt that you know this but I thought I'd say that Paris has a good way of achieving more green space by allowing people to apply for permits to look after green areas. I've always thought that local businesses be made to do more outside their business of work. For example walking along St. Helen's Road and you despair at the lack any natural beauty, it's looking very tired and it's deteriorating.		X			See comment above. The Action Plan will look at innovative ways of maintaining GI.
Involve schools. Teach in schools to value what we have and what this plan is trying to do				X	The 4 primary schools in the city centre catchment, Terrace Road, St Helens, Christchurch and Brynymor were engaged during the development of the strategy. Both NRW and the Council support schools / provide resources / sessions in environmental education.
Regular publicity and updates e.g. in Evening Post and Swansea Leader				X	

Question 6: Are you a developer or do you have a professional interest in the draft strategy? If you answer YES you will proceed to questions about the Green Space Factor Tool, green infrastructure typologies and other more specific questions. If you answer NO you will proceed to the end of the survey.



Question 7: The strategic objectives include aspirations for Swansea to become a Sponge City, Biophilic City, National Park City, UNESCO Biosphere Reserve or Woodland City (from page 17 of the strategy). Have you had any experience delivering any of these options? If so please share you experience in particular any opportunities and/or barriers you foresee?

Comment	Action				Response
	A	AP	OS	NA	
No				X	
No.				X	
No				X	
We are considering a green roof/wall project at the moment on our offices along High Street at Coastal Housing Group. Funding could be key to this.				X	

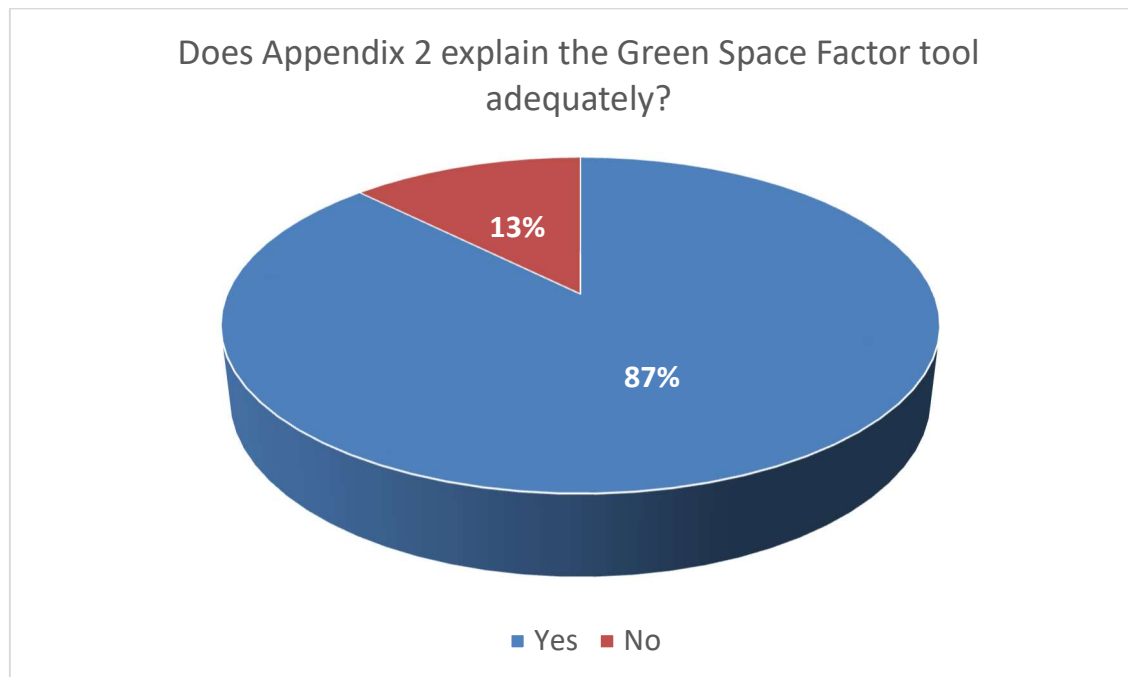
<p>One of Earthwatch Europe's core focus areas is "creating thriving places to live and work". Within this we operate two key programmes - Climate Proof Cities, which works with localities to improve resilience within the urban fabric, and Naturehood, which connects communities with the biodiversity on their doorsteps. Both of these initiatives have a strong core of citizen science, empowering local people both to take environmental action, and to monitor and disseminate the impact that their actions are having. https://earthwatch.org.uk/working-with-business/climate-proof-cities https://naturehood.uk/get-involved/naturespace-actions In particular, our Tiny Forests project is specifically relevant. Designed to maximise GI value in highly constrained spaces, Tiny Forests can both directly deliver ecosystem services and also act as a focus for community engagement. This is a concept licensed to Earthwatch by IVN, who have been delivering this initiative successfully in the Netherlands in recent years. Key concept across all areas is a strong and ongoing process of community involvement. Without local ownership by the communities which they support and in which they are located, these GI improvements will not achieve sustained benefit.</p>				X	
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Question 8: In the chapter titled Implementation (starting on page 35) we set out several areas relating to working together; feasibility, impact, value, maintenance and monitoring. Do you have any ideas that are not included in this chapter which would help enable green infrastructure in the Swansea Central Area?

Comment	Action				Response
	A	AP	OS	NA	
No				X	
<p>It is important to realise that the council does not control all of the land which could be included to accommodate green infrastructure. You should involve private owners to encourage them to take up hard landscaped areas such as I mentioned above on Walters Road. Walters Road has become subject to a lot of flooding but a lot of the private businesses and residences have simply concreted over their front garden areas.</p>			X	X	Walters Road is outside the Swansea Central Area.
Speed up the Traffic lights in the city centre if possible			X		

Using local community groups/primary schools/interested groups to maintain our city.	X	X			The strategy includes a revised strategic objective to <i>'Ensure stakeholder and community involvement in the design and maintenance of GI'</i> . The Action Plan will look at innovative ways of maintaining GI (see Appendix1).
Perhaps review business rate model to see if any funding can be drawn to improve the green environment within the Swansea Central Area. With all the development planned for the centre of Swansea in the next few years, larger companies will be providing lots of new buildings, and redeveloped facilities. Surely an opportunity to obtain planning gain in terms of delivering on this strategy.				X	There are opportunities though the Swansea Business Improvement District (BID) partnership and Targeted Regeneration Investment (TRI) Programme which can support the delivery of the strategy and wider GI agenda.
Earthwatch Europe would advocate the inclusion of citizen science in this section. As well as dramatically increasing sample size for monitoring, citizen science connects people with their environments and promotes stewardship through creating a network of engaged local champions. Earthwatch has been delivering citizen science activities linked to environmental issues for nearly 50 years, including Freshwater Watch, Naturehood, and our climate proof cities programme.		X			This will form part of the Action Plan.

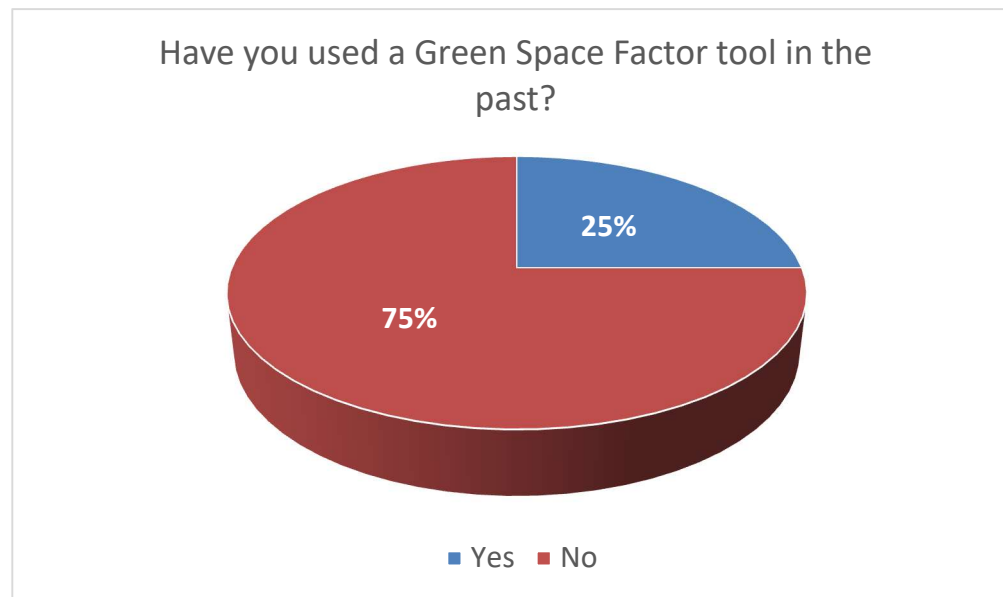
Question 9: The Green Space Factor (GSF) tool (Appendix 2 in the draft Strategy) is designed to assist planners, developers and designers in determining the appropriate level of urban greening. The Council and Natural Resources Wales are committed to using this tool and expect applicants to submit a GSF calculation in support of their plans. Does the Appendix explain the tool in enough detail?



Comment	Action				Response
	A	AP	OS	NA	
Could well be a reason why developers (especially large house builders) don't come to Swansea citing more costs. Their business model has to be challenged.				X	The Green Space Factor Tool is not mandatory. It is designed to help maximise compliance with the Welsh Government's statutory SUDs Standards 2019 and to help deliver place making as defined in Planning Policy Wales 10.
This should become the national standard for wales				X	

<p>The GSF tool is a useful reckoner at the design stage but takes no account of aftercare or management. Without effective management in place, backed up by monitoring, a number of the putative benefits within the tool will not be achieved, e.g. failed trees or planting will only deliver the outcome of permeable paving in real life, in spite of achieving a high score at the design stage. Whole-life planning and costing, and effective monitoring using citizen science tools, can help to mitigate this risk.</p>		X		<p>Maintenance was one of the themes from the engagement work and through the development of the strategy. To reflect the need identified the strategy now has two strategic objectives designed to build skills around GI maintenance and identifying innovative maintenance solutions: <i>‘Ensure stakeholder and community involvement in the design and maintenance of GI’</i> and <i>‘Create a skilled and knowledgeable local economy to deliver and maintain GI’</i> (see Appendix1). The Action Plan will detail how the objectives will be met, and PI’s will measure success.</p>
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Question 10: Have you used a Green Space Factor tool in the past?



Comment	Action				Response
	A	AP	OS	NA	
Hard to put a figure to assets value - subjective				X	The Tool has had track record of over 20 years of use around the world. The value allocated in the tool is based on this experience coupled with the priorities and needs highlighted by stakeholders during the development of the strategy and current Welsh legislation.
We haven't used the tool directly but have done significant work around its framework.				X	

Question 11: The quality and multi-functionality of green infrastructure are essential. The Urban Green Infrastructure typologies (Appendix 1 in the draft strategy) sets out the ecosystem services that each typology provides. Does Appendix 1 adequately demonstrate the quality and multi-functionality of green infrastructure? If not how could it be improved?

Comment	Action				Response
	A	AP	OS	NA	
Yes. examples of work done in annual update reports				X	
Yes. In fact perhaps more summaries/succinctness would be useful.				X	The steering group concluded that Appendix 1 (now Appendix 2) of the Strategy could not be summarised any further without the risk of losing valuable detail.
Yes, but I am no expert.				X	
Yes.				X	
This typology is quite public realm-facing, and does not have an element addressing connectivity of GI types. Particularly for wildlife and biodiversity, people's private spaces, and how they connect with each other and the public realm, are an incredibly important aspect of urban GI, and these metrics could potentially lead to development being approved with strong public spaces, but where the equally valuable private spaces are left with comparatively low-impact GI. Our Naturehood programme is already speaking with developers as to		X			Increases in GI, canopy cover and biodiversity will be performance indicators for the strategy. Connectivity will be measured through the monitoring process and will be addressed in the Action Plan.

how positive ecological value can be incorporated into the design of new housing spaces, as well as retrofitted to existing housing stock.					
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Question 12: Do you have any other comments on the draft Strategy Swansea Central Area: Regenerating Our City for Wellbeing and Wildlife?

Comment	Action				Response
	A	AP	OS	NA	
Interested to see how it will link to wider GI strategy				X	
Bird feeders located around the city centre in the winter months				X	Natural food supply from planting is the preferred option. This will be addressed via the Action Plan.
The Urban Heat Island effect (p11) is potentially damaging to health, as you indicate, though this is understating it - the UHI effect is a real threat to life, particularly for the elderly living in high rise accommodation. <i>Ref: Environ Health Perspect. 2012 Feb; 120(2): 254-259. Published online 2011 Sep 1. doi: 10.1289/ehp.1103532</i> Swansea LBAP (p23) needs updating. You're right to emphasise the crucial importance of a culture change (p24) in terms of cross sectoral working in relation to the climate and diversity crises we face. This culture change has to extend to the entire population and your work on GI and how you have framed it will contribute to that change.				X	
Yes - whilst i agree with the majority of what is being put forward, the strategy fails to address one of the main problems - traffic pollution. Currently, all the traffic is funnelled to certain target points, (car parks). This causes delays, and sitting traffic. If street parking was opened up by 50% from all the residents' only parking in the Sandfields, streets by the YMCA and St Thomas, people would look to park in different areas spreading the traffic flow around. A lot of the time the resident's			X		Transport is out of scope of the GI strategy, however comments on transport to be shared with relevant service areas.

only spaces are not being used and it would make it easier for people to enjoy the city centre.					
About time! Well done and thank you.				X	
No.				X	
The environmental impact of the digital arena has not been appropriately considered in relation to sustainability, creating a pleasant and healthy environment for residents and older and longer staying visitors, it is likely to discourage enjoyment of the area around the marina, museums etc for many.				X	The Arena was designed taking into consideration the sustainable development principle and the wellbeing goals of the Wellbeing of Future Generations Act and a Sustainability Statement developed for the Phase 1 of the city centre regeneration.
more benches				X	
Green areas need to be drastically increased across the whole of Swansea, not just central. More Trees. Monitor planning applications such as Biffa. Look at how we can encourage electric car usage to clean up our air. Encourage and Introduce Zero Waste shops across Swansea. Make recycling difficult items more accessible, perhaps even from the kerb side, e.g. crisp packets, wrappers etc...			X	X	The Swansea Central Area and wider GI Strategies seek to assist in achieving this. Waste comments will be shared with the relevant service area.
Perhaps make more of specific areas of wildlife e.g. the Swansea peregrines on the BT building? Similar to Chichester where there is a webcam, public display (run by the RSPB) - people travel to Chichester just to see them		X			The Action Plan will promote the use of swift bricks and boxes etc.
Why only central Swansea, surely it should involve all of Swansea.				X	The emerging Countywide Strategy will cover all areas across the County.
Like I say we need to provide guidance, funding options, and knowledge of what will work and the vision as a baseline for developers and new business then add to our guidance, funding options, and knowledge pool with their ideas to enhance our city in the areas outlined. We've seen where a strategy has not worked, lessons need to be learned...		X			To be addressed in the Action Plan.
Looking forward to having a greener city				X	
Make better use of singleton park as mentioned. Scrap the idea of introducing levels to castle square along with the unit. Levels will bring unwanted attention				X	Comments to be shared with relevant service areas.

<p>to hide within. No need for a unit when there are plenty of units surrounding castle square. Everyone just wants a garden. Maybe fence it off like the garden in Neath, Victoria garden? I think it's called. To protect it from damage. The garden could then be used Christmas time as an actual winter wonderland. Summer time you could create a nice green sitting area with the option to hire out deckchairs. Easter time an actual Easter egg hunt. Also off the topic but maybe add a statue or two prompting things in Swansea. Like the cockle women which in turn will promote the market and fish industry within Swansea and South Wales. Also promote our poetry more within the city. New buildings should also incorporate stained glass designed by the university. The university is known for it yet there's nothing on show within the city.</p>				
<p>I think bee friendly spaces need to be made an increased priority and discouraging general felling of trees in residential gardens throughout the city should be discouraged with some sort of more formal legislation. The amount of trees and greenery disappearing from gardens in favour of decking and concrete in recent years is shocking</p>			X	
<p>In a number of places there are references to "pedestrians and cyclists". Whilst that mixture might work for leisure activities, please don't use that provision to forget what is a key target for climate change - to get people out of their cars for their normal journeys, particularly to and from work. Commuting cyclists and pedestrians do not mix! Pedestrians want to be able to wander along, often in groups, without thinking about other traffic and they regularly complain about "speeding cyclists" i.e. ones going at typical cycling speeds of 12-20 mph. Cyclists just want to get to work or home as quickly as possible (like any other commuter) and if they have to slow down, ring their bell and wait to get past every couple of minutes they are</p>			X	<p>Comments on transport to be shared with relevant service areas.</p>

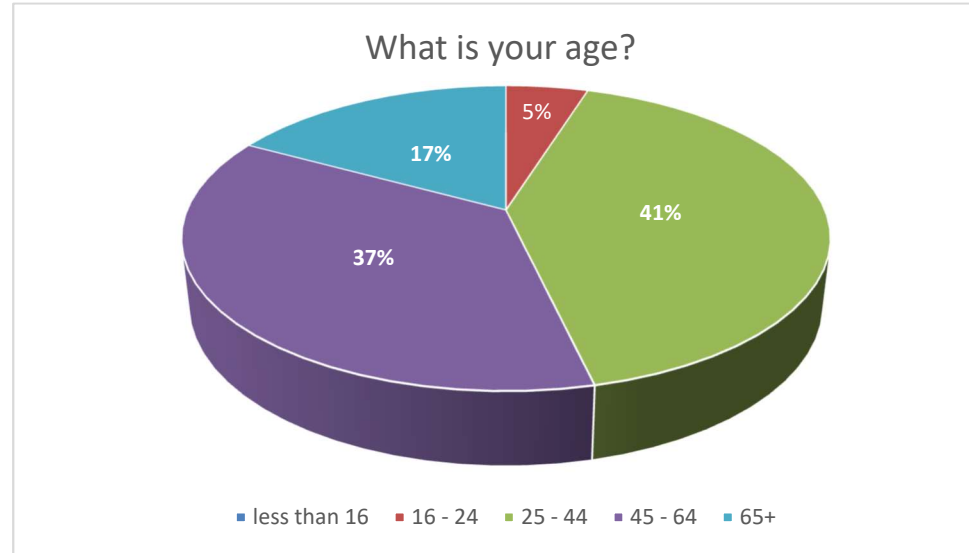
going to get fed up and return to the car. Probably the most used commuter route is east/west where the road infrastructure is practically suicidal on a bike and in any case riding on the road results in annoyed drivers and abuse. Either the roads need to be accepted and safe as a place for "A to B" cyclists (as was normal 40 years ago) or there needs to be working segregation of shared use paths, e.g. using a kerb to split "road" from "pavement" as is done in some countries. Clearly this can't be magically produced immediately, but a long term greening project should be looking to a genuine cycling future not just families on Sunday afternoons.					
Please can we have it happen and get strong links with developing the plan with a strong 'placemaking' ethos - age friendly, child friendly, people friendly...futureproof friendly :)				X	
In many cities of America, when a developer wants to build something - whether it is a house or a housing estate, a drive-thru or a retail complex, they are expected to calculate the total cost and then 10% of that cost - the figure is then locked in to local government using for parks, recreation, and wildlife.				X	Introducing planning restrictions is outside the scope of this strategy.
Discouraging motor vehicles from entering the city centre (aside from public transport) and promoting sustainable and alternative transport i.e. cycling, walking etc.				X	Comments on transport to be shared with relevant service areas.
As a company working with young people we see this as a fantastic opportunity to make Swansea the city of choice for our youngsters to stay, live, work and play.				X	
Although the central area of Swansea is a focus of this I would like to see the council planting more trees/vegetation on the numerous grass areas, verges and roundabouts around the city. Also the plastic partitions that are placed/and being placed around the roundabouts of Swansea (to slow motorists as they approach) could also be planted with ivy's...etc to produce small green walls in these areas and be much				X	The Countywide Strategy currently in development will cover all areas across the County.

more pleasant to look at than the current plastic screens that are in place.					
Make sure there are flowers as well				X	
No				X	
As previously mentioned, I personally hope that the Council would consider utilising as much space as possible to enhance our overall green coverage. Nature should always be at the forefront of every decision as we desperately need to preserve, protect and grow our existing green network. I feel confident that Swansea could very well be the model image for other cities to follow suit and I would love to be a part of this. Please get in touch with me on treesociety@swansea-societies.co.uk to discuss our potential partnership further. THANK YOU!				X	
The aims are praiseworthy and supported; the key is achievability and a careful business plan that recognises costs and benefits.				X	
This is a great strategy which should be expanded to all Welsh towns and cities.				X	
Turn castle square back into a garden with Grass, flowers, trees, deckchair hire during the summer, daffodil garden for St David's, Easter egg hunt for Easter, an actual winter wonderland for Christmas. To prevent damage install a stone wall with fencing. Provide a strange for performers and entertainers.				X	Comments to be shared with relevant service areas.
Would like to see green facade buildings replacing the concrete sad buildings in Kingsway.				X	
Thank you for the opportunity to comment.				X	
Develop better canal infrastructure that will support local wildlife.			X		County wide Strategy currently in development will cover all areas across the County.
Have less traffic in the centre. More pedestrianised roads. Or trams				X	Comments on transport to be shared with relevant service areas.
I think it's vital to consider closing a section of High St to car traffic. I strongly suggest making the section from High St Station to Argos restricted to buses, taxis, bikes and pedestrians -- to make this a much more				X	Comments on transport to be shared with relevant service areas.

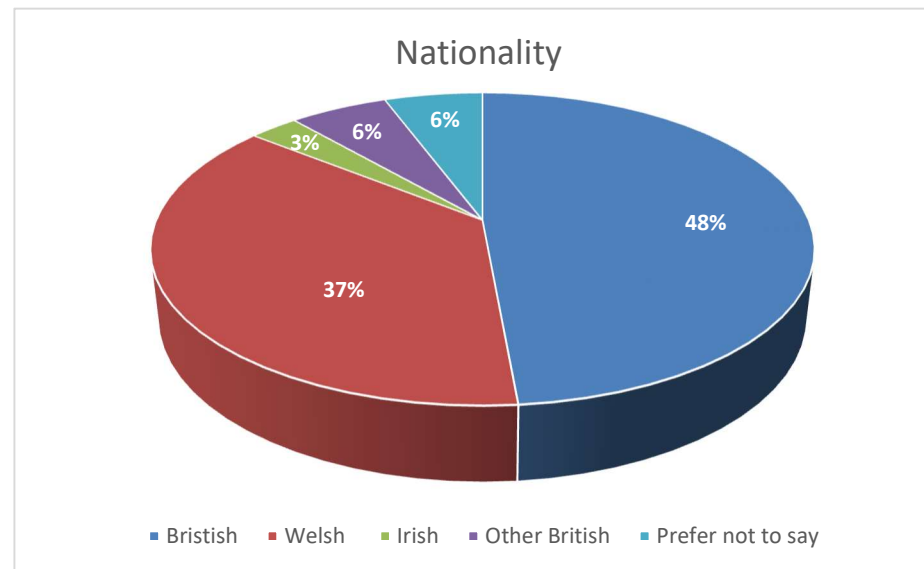
attractive space. E.g. see what Cardiff has done with St Mary`s Street,					
Please change the current plans to include more green space, it's too much pavement. And please can we have more green space on Kingsway, some of it is well done but some of it looks like an afterthought. The green space on the main road outside the bus station is a good example of how it should be done.				X	
<p>We note the emphasis that the paper places on creating a green artery with 'High St being the key route from the Rail Station South, towards Kingsway to the West and Wind St to the South East' (p30) Earlier in the document it states that 'within the green artery pedestrians and cyclists will have priority' (p18) and supports this by saying that ' a cycle path can be an ecological as well as a transportation corridor' (p21)</p> <p>It is therefore disappointing that that there are no proposals at all with regard to cycling or walking. The document itself refers to High St as being 'heavily-built up, there are few pockets of vegetation'. Indeed for both cyclists and pedestrians, High St. is a thoroughly unpleasant experience with no provision at all for cycling and having lorries and cars in close proximity to shoppers and office workers.</p> <p>If High St is to be the start of a green artery, then the road area needs to be redesigned to accommodate cycling, walking and a greener landscape. We would therefore recommend that the report consider the following possible options.</p> <p>1. Declare an Ultra-Low emission zone in the centre of the city meaning that Electric vehicles would predominate.</p>			X		<p>Changes to transport infrastructure is out of scope of this strategy. However there is potential to link GI with Active Travel routes to both enhance routes and optimise multi - benefits i.e. green corridors.</p> <p>The comments will be shared with Regeneration and Transportation and other relevant service areas to highlight opportunities to integrate GI.</p>

<p>2. Make High St. and Castle St. Caer St and Princess way E-bus and E-taxi only bus lanes that cyclists could use.</p> <p>3. Make High and Castle St. one way to motor traffic thereby increasing the area available to accommodate green vegetation and a 2 way cycling provision.</p> <p>4. Make High St and Castle St a pedestrian and cycling only zone, massively increasing the area available for greening</p> <p>In addition, attention needs to be paid to the extension of the green artery to Wind St and lower Princessway. We would recommend.</p> <p>5. That one of the 2 South East bound lanes on Wind St. should be turned into a cycle lane for 2 way cycling which would allow additional space for extra greenery.</p> <p>6. That St Mary's St and St Mary's Square should offer be closed to traffic completely and turned into a cycleway, pavements and green area.</p>					
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Question 15: What is your age?

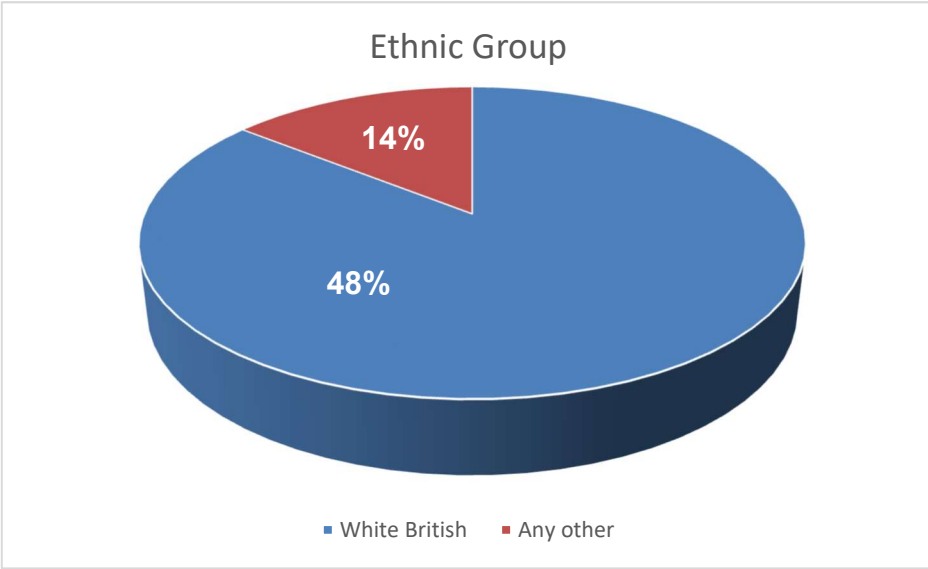


Question 16: Nationality - would you describe yourself as?



Comments on selection:
Irish by birth but living and working in Swansea for 30 years.
This has no relevance
European
British
Born in Swansea and with ancestors all born and lived in Swansea as far back (so far researched) as 1577 and probably before. I care about Swansea
Jewish British

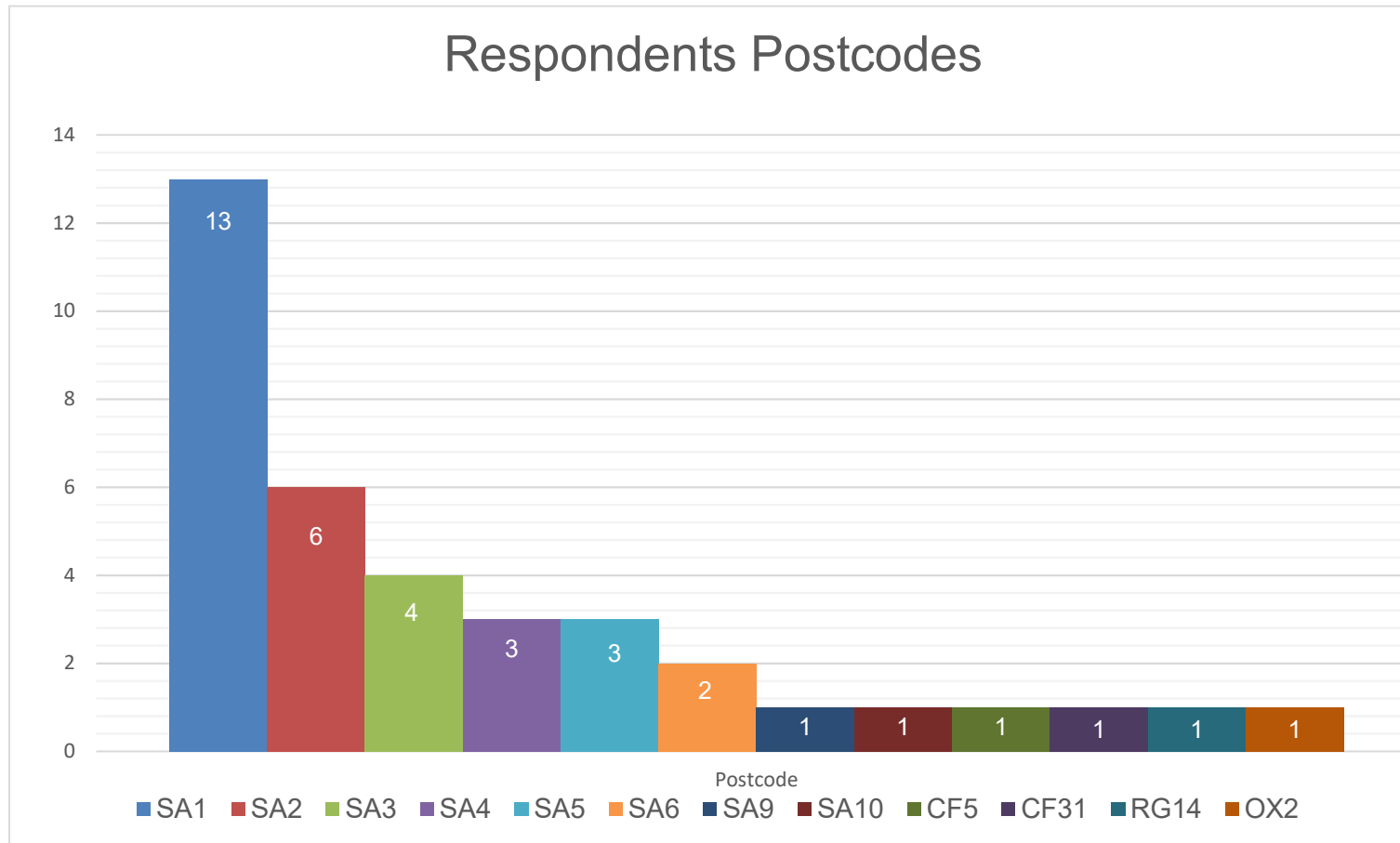
Question 17: What is your ethnic group?



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Comments
White European. There is no such thing as a White British ethnicity.
This has no relevance
N/A
Human
African-Arab
Jewish

Question 18: What is your postcode?



Consultation Workshops

The following workshops were held:

- A. Consultation with local primary schools within the Swansea Central Area catchment
- B. Swansea Central Library Consultation

A. Consultation with Local Primary Schools within the Central Area catchment

4 sessions with the 4 primary schools (St Helens, Terrace Road, Christchurch and Brynymor) were held focusing on the vision and the objectives. Comments from the discussion are listed below. The Steering Group concluded that the response would provide valuable content for the proposed Strategy on a Page/Easy Read Version.

Comment	Action				Response
	A	AP	OS	NA	
Nature – greenery, wildlife Resilience – strong, positive Wellbeing – exercise, strong Healthy – free, explore Multifunctional – smart, science, busy, skills, very helpful Happiness – Joy, fun, excited, kindness, responsibility	X				Excellent words for the strategy on a page
Nature – greenery, wildlife Resilience – strong, positive Wellbeing – exercise, strong Healthy – free, explore Multifunctional – smart, science, busy, skills, very helpful Happiness – Joy, fun, excited, kindness, responsibility	X				Excellent words for the strategy on a page
Nature – green areas, wildlife, flowers, insects, trees, animals Resilience – trying hard, not giving up, positive Wellbeing / healthy - fruit, exercise, trees, bees, water, free to explore Multifunctional - buildings, cooking, experience, science, busy, skilled, rain garden, bug hotel Happiness – joyful, fun, enjoy, kindness	X				Excellent words for the strategy on a page

Multifunctional – science, busy, skills, rain garden, building Happiness – Joy, kindness Nature – greenery, wildlife, trees Resilience – positive trying harder Wellbeing – free to explore, exercise, sports water	X				Excellent words for the strategy on a page
Prosperity Wellbeing – exercise, fruit, healthy Multifunctional – busy, skilled, solar panels, nectar, buildings, experienced Happiness – joyful, enjoy, fun, kindness Resilience – working hard, independence, positive Nature – wildlife, greenery, flowers Free to explore	X				Excellent words for the strategy on a page
Healthy wildlife, greenery, grass, positive, wealth, exercise, fruit, milk, reses, happy, free to explore, building, smart, experienced, busy, skilful, saving bees, joyful, fun, relaxed.					
Green, flowers, bushes, positive, resilience, wellbeing, potatoes, water, fruit and veg, fresh air, fit, joy, fun, happy, free parks, sometime, milk, yoghurt	X				Excellent words for the strategy on a page
Greenery, strong, milk, fit, trees, busy, skills, boy, rain garden, trees, flowers, positive, healthy – milk apples, happiness – explore, buildings, hard, exercise, cooker, skilled, animals,	X				Excellent words for the strategy on a page
Trees, exercise, cooker, beautiful, bees, milk, plants	X				Excellent words for the strategy on a page
Joy, fun, kindness, excellent, solar roof, smart, busy, skills, workshop, greenery, flowers, grass, trying hard, wellbeing, fruit, love the greenery, wealth, positive, trees	X				Excellent words for the strategy on a page
Schools can plant more trees, and don't destroy nature that is there already only make it better, Healthy – plant more veg, Have gardens as people don't always have them.				X	
It is nicer				X	
Peaceful spaces for people and nature, make nature even better than it is now, tell us where they put the nature first, before building stuff, nature must be part of it.				X	
More bees more grass				X	
More bees and more grass				X	

More parks on top of buildings because to get outside is healthier and it is fun and it will make you happy.				X	
High quality incorporation of greenery throughout the city centre, increases the variety of happiness within the population of the area. It's also encourages people to the healthier and spend money in Swansea. It also benefits the environment by bringing wildlife and assisting the atmosphere.				X	
Adding solar panels, mitigating the heat island effect – if we put more flowers around the city it will keep us cool and it will help wildlife. Trees – if we plant more trees birds can eat, animals will be happy and so will people. Save water – if we put more pipes around.				X	
Sponge city – I feel the sponge city is a great idea for our planet, because it will make our city more green rather than just blowing on concrete floor. My ideas – green walls, berry trees, flower beds, fountain with flowers, green roof.				X	
Provide a high quality environment – wooden bug hotels, hanging flower baskets, trees with bird feeders, trees with berries and tree houses.				X	
Do not give up, we need wealth – attract more visitors, we need more green in Swansea.				X	
Do not give up we need wealth, attract more visitors we need more green in Swansea.				X	
Do not give up, buildings good and happy wildlife				X	
We need sponge city, because its sucks water instead of putting it down the drain.				X	
Sponge – act like a sponge, GI green space, green environment, surrounded by nature. Multifunctional GI – multi-tasking Resilience – space to bounce back Prosperity – healthier happier lifestyle, positive place Citizens – Community / residents Health – create peaceful place and help people get along. Wellbeing – Comfortable, happy, healthy, valued, no rules for nature – ‘let nature go free’	X				Excellent words for the strategy on a page
A garden with grass and benches and when you are in there be quite and have flowers in there.				X	

When nature is strong it helps other animals	X				Excellent words for the strategy on a page
Not just grass we need flowers, insects and trees				X	
There is a lot of grass everywhere but not many trees				X	
Castel square looks all broken and mouldy				X	
Water and space for frogs				X	
Important words – all of them, citizens , nature	X				Excellent words for the strategy on a page
More bins and people need to put stuff in the bins / signs for the bins				X	Share comments with relevant service.
Multifunctional = busy nature	X				Excellent words for the strategy on a page

B. Swansea Central Library session

A consultation event was held in Swansea central library focusing on the vision and objectives. Consultees were supportive of the vision and objectives and made the following comments.

Comment	Action				Notes
	A	AP	OS	NA	
Ban chewing gum in town, Swansea is dirty				X	
Too much ugly space, more nature looks better, nice to be there				X	
Castel square needs shade to sit under				X	
Like the wavy bit in Princess Way – greenspaces need to be maintained so they look good.				X	
I agree with nature in the city centre.				X	
Prom a major asset, need to use this more, encourage people to walk and meet each other. Link to the city too.				X	
Greenery is an asset to the city centre, all for more greenery but it needs maintenance.				X	
Good to have greenery in the city centre					
Need for jargon free strategy on a page	X				Strategy on a page to be jargon free.

APPENDIX 1
Revised Strategic Objectives and Performance Indicators

The consultation process raised a number of questions about the relationship between the strategic objects, targets and the implementation of quantitative targets. As a result the GI Steering Group reviewed the Strategic Objectives and the need to provide SMART objectives, which reflected each component of the vision.

The original Strategic Objectives have been replaced with new Strategic Objectives and a set of SMART Performance Indicators (PIs) developed. The PI's include elements of the original objectives and targets. Other elements of the original targets are more appropriate as part of the Action Plan which will be published separately and after the Strategy.

Strategic Objectives:-

- Provide a high quality nature rich environment.
- Create a distinctive destination city.
- Ensure the city is resilient to the impacts of climate change.
- Ensure stakeholder and community involvement in the design and maintenance of GI.
- Create a skilled and knowledgeable local economy to deliver and maintain GI.

The strategic objectives are designed to contribute **directly** to as many elements of the vision as possible as outlined in the table below. Each strategic objective will contribute **indirectly** to all the elements of the vision.

Objective	Contribution to the vision					
	Nature	Health	Prosperity	Wellbeing	Resilience	Happiness
Provide a high quality nature rich environment	✓	✓		✓	✓	✓
Create a distinctive destination city	✓		✓	✓		✓
Ensure the city is resilient to the impacts of climate change	✓	✓		✓	✓	✓
Build opportunities for stakeholder and community involvement into the design and maintenance of GI.			✓	✓	✓	✓
Create a skilled and knowledgeable local economy to deliver and maintain GI.			✓	✓	✓	

The following performance indicators have been set:

1. Increase terrestrial green infrastructure.
2. Increase canopy cover.
3. Increase biodiversity.
4. Green Infrastructure to achieve the strategy's five principles by being multifunctional, biodiverse, adapted for climate change, healthy, and smart and sustainable.
5. Number of green roofs installed to GRO code requirements.
6. Number of GI projects enabled by the Target Regeneration Investment (TRI) programme or similar.
7. Monitor using mapping data.
8. Working with partners to assess available data for monitoring.
9. Number of GI projects incepted / co-produced and/or maintained by stakeholders.
10. Number of events to raise awareness of green infrastructure for businesses / organisations to build the local green infrastructure sector.
11. Number of SME's specialising in delivery and maintenance of GI.

The following targets have been set:

1. Increase terrestrial GI to 26% by 2030
2. Increase canopy cover to 20 – 25% by 2044

Appendix C: Assessment of the Strategy’s contribution to the Well-being of Future Generations Act’s wellbeing goals and application of the ways of working.

Wellbeing Goal	Evidence of contribution
A prosperous Wales	<ul style="list-style-type: none"> • Strategy designed to address adaptation to and mitigation for climate change. • GI typographies which facilitate high performing efficient buildings and public realm and support a low carbon society. • Strategy outcome to increase local knowledge and skills on the benefits of GI techniques and technologies. • Strategy outcome to increase understanding and knowledge of how GI will improve environmental, social, economic and cultural wellbeing.
A resilient Wales	<ul style="list-style-type: none"> • Aim of the strategy is to create and maintain multifunctional GI which supports ecosystem resilience and addresses climate change. • Biodiversity is one of the five principles of the strategy with a focus on native species or those with a documented value for wildlife. • Strategy focuses on connectivity via the development of green artery across the Swansea Central Area and out to the Swansea Bay, Tawe Riverside and Hillside wildlife corridors. • Strategy outcomes to provide practical evidence on how the Council is meeting its duties under the Environment Act. • Development of the Strategy is one of the steps of the Council's Corporate Priority – to maintain and enhance Swansea’s natural resources and biodiversity.
A healthier Wales	<ul style="list-style-type: none"> • Strategy will enable access to nature and vegetation which has numerous physical and mental health benefits. • Installation of the correct type of GI can help reduce / manage air and water pollution, and the impacts of extreme weather events.
A more equal Wales	<ul style="list-style-type: none"> • Swansea Central Area is in Castle ward which includes some of the most deprived and vulnerable people in Wales. Castle 2 (North) is the 2nd most deprived Lower Super Output Area (LSOA) in Swansea. • GI is low (13%) in the Swansea Central Area in comparison to other areas of the county and the national average. The Strategy’s aim is to double this to 26% by 2030.

A Wales of cohesive communities	<ul style="list-style-type: none"> • In enhancing and increasing good quality GI the Strategy is helping create attractive places in the Swansea Central Area for residents and the wider community to enjoy / use. • The focus on multi-functionality to build resilience and adaptation to and mitigation for climate change contributes to community safety.
A Wales of vibrant culture and thriving Welsh Language	<ul style="list-style-type: none"> • Development of a green artery will improve connectivity across the city centre extending out to the Swansea Bay, Riverside and Hillside wildlife corridors / recreational spaces.
A globally responsible Wales	<ul style="list-style-type: none"> • The Strategy's contribution to improving ecosystem reliance, adaption to and mitigating for climate change and enhancing natural resources are part of local and global environmental improvements. • The Strategy is part of the Council's delivery of its duty to the Environment Act (Wales)
Way of Working	Evidence of contribution
Looking at the Long term	<ul style="list-style-type: none"> • Strategy aims to make immediate enhancements which will help future proof the Swansea Central Area against existing and future challenges including; <ul style="list-style-type: none"> ○ Improving residents facilities, health and well-being, ○ Improving visitors experience and dwell time, ○ Future proofing for climate change, flooding, warmer hotter summers, more extreme weather events, ○ Reducing energy costs and consumption. • Strategy focus is on building environmental / ecosystem reliance. • Strategic objectives will be achieved through short, medium and long term actions.
Taking in integrated approach	<ul style="list-style-type: none"> • The GI Strategy will have a positive impact and contribute to all of the well-being goals. • The contribution will be monitored to avoid any unintended negative impacts. • The Strategy contributes to the Swansea PSB's working with Nature Well-being Objective and the corporate objectives of the Council and NRW.
Involving people	<ul style="list-style-type: none"> • Early engagement process to inform the vision for the strategy included: <ul style="list-style-type: none"> ○ 634 face to face conversations with members of the public in 10 locations around the Swansea Central Area.

	<ul style="list-style-type: none"> ○ Sessions with the 4 primary schools covering the Swansea Central Area (3 English medium 1 Welsh medium). ○ Social media campaign on twitter. ○ Stakeholder meeting with 6 local groups including residents groups and local interest groups and local universities. ○ Two half day stakeholder workshops with partners across the public, private and third sector. ○ Internal corporate session with officers and members and the Economy and Infrastructure Policy Development Committee. ● Draft strategy went out for external consultation via online surveys, face to face sessions with the 4 primary schools covering the Swansea Central Area (3 English medium 1 Welsh medium) and members of the public in Swansea Library. ● Internal consultation via email and a workshop.
Collaboration with others	<ul style="list-style-type: none"> ● Joint project between Swansea Council and Natural Resources Wales. ● Development of Strategy is a step in the Public Service Board's Working with Nature Objective.
Prevention	<ul style="list-style-type: none"> ● Strategy's aim for multi-functional GI will help address existing, and build resilience to prevent or reduce the impact of future environmental, social, economic and cultural problems in the Swansea Central Area.

Equality Impact Assessment Screening Form – Appendix D

Please ensure that you refer to the Screening Form Guidance while completing this form. If you would like further guidance please contact the Access to Services team (see guidance for details).

Section 1

Which service area and directorate are you from?

Service Area: Strategic Planning and Nature Environment

Directorate: Place

Q1(a) WHAT ARE YOU SCREENING FOR RELEVANCE?

Service/ Function	Policy/ Procedure	Project	Strategy	Plan	Proposal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(b) Please name and describe here:

Production of the Swansea Central Area Green Infrastructure Strategy, designed to increase and enhance green infrastructure in the regeneration of the Swansea Central Area in line with the Swansea Central Area Regeneration Framework, the Council's well-being objectives and duties under the Planning, Environment and Well-being of Future Generations Acts.

Q2(a) WHAT DOES Q1a RELATE TO?

Direct front line service delivery	Indirect front line service delivery	Indirect back room service delivery
<input type="checkbox"/> (H)	<input type="checkbox"/> (M)	<input checked="" type="checkbox"/> (L)

(b) DO YOUR CUSTOMERS/CLIENTS ACCESS THIS...?

Because they need to	Because they want to	Because it is automatically provided to everyone in Swansea	On an internal basis i.e. Staff
<input checked="" type="checkbox"/> (H)	<input checked="" type="checkbox"/> (M)	<input type="checkbox"/> (M)	<input type="checkbox"/> (L)

Q3 WHAT IS THE POTENTIAL IMPACT ON THE FOLLOWING...

	High Impact (H)	Medium Impact (M)	Low Impact (L)	Don't know (H)
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Older people (50+)	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Any other age group	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Race (including refugees)	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Asylum seekers	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Gypsies & travellers	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>

Equality Impact Assessment Screening Form – Appendix D

Q4 WHAT ENGAGEMENT / CONSULTATION / CO-PRODUCTIVE APPROACHES WILL YOU UNDERTAKE?

Please provide details below – either of your planned activities or your reasons for not undertaking engagement

The Strategy is a joint strategy developed by the Council and Natural Resources Wales. The project team undertook engagement work at the start of the development of the strategy with a wide range of stakeholders including the public, private and 3rd sectors, local residents, visitors, primary schools in Castle ward and members of the public. The engagement process focused on the theme *what does nature in the city mean to you* #citynature / #naturynyddinas

The stakeholder events included workshops, meetings and seminars between February and April, with:

- Public organisations including Swansea University, ABMU, Welsh Government, Public Health Wales, Fire Service, NRW and Swansea Council.
- Local and regional private business including developers, architects, engineers, SME's, social housing.
- Terrace, St Helens Christchurch and YGG Brynymor primary schools.

Over three weeks face to face conversations were held with over 630 members of the public in a number of locations around the city centre including the Swansea Market, Oxford Street, Swansea point (on the prom), Swansea Central Library, the Quadrant and the Glyn Vivian. Conversations will also held with a number of local groups including the Maritime Quarter Residents Association, Swansea Save our Trees, GRAFT (community growing project ion the National Waterfront Museum). There we also a number of conversations on social media via Twitter.

The findings from the engagement procuress were used the set the draft strategies vision and strategic objectives.

The draft strategy went out to public consultation between 22nd November 2019 and the 31st December 2019. The consultation process included an online survey and consultation events, held at the 4 primary schools within the catchment area and in Swansea Central Library. 45 survey responses and one email response were received, along with and comments from consultation sessions held with the 4 primary schools in the catchment area and members of the public in Swansea Central library.

Professional stakeholders were consulted via the survey, and the draft was circulated internally to relevant Heads of Service for comment and a corporate workshop held on the 16th December 2019.

Overall the strategy was very well received. Over three quarters (79%) of survey respondents agreed with the strategies vision and over three quarters of survey respondents supported the strategic objectives.

There were a number of comments which focused on the need to raise knowledge and skills, provide training, engage with stake holders and the community, and around the issue of maintenance, and comments on the GI and canopy cover targets. The strategic objectives were revised to address these comments and performance indicators added.

Equality Impact Assessment Screening Form – Appendix D

A number of comments referred to GI improvements at locations outside the geographic area defined by the strategy. These will be addressed in the emerging County wide GI Strategy which will support of the Swansea Central strategy and emerging Biodiversity and GI Supplementary Planning Guidance.

Q5(a) HOW VISIBLE IS THIS INITIATIVE TO THE GENERAL PUBLIC?

High visibility <input type="checkbox"/> (H)	Medium visibility X (M)	Low visibility <input type="checkbox"/> (L)
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(b) WHAT IS THE POTENTIAL RISK TO THE COUNCIL’S REPUTATION?
(Consider the following impacts – legal, financial, political, media, public perception etc...)

High risk <input type="checkbox"/> (H)	Medium risk X (M)	Low risk <input type="checkbox"/> (L)
---	----------------------	--

Q6 Will this initiative have an impact (however minor) on any other Council service?

X Yes No **If yes, please provide details below**

The Strategy will require some services to work a bit differently i.e. in how they use and enhance green infrastructure in the services we provide and how we design, develop and maintaining their assets and how they work in partnership with other public sector organisations. However the strategy is meant to act as a critical friend to help the Council meet its duties to the Environment, Planning and Well-being of Future Generations Act and the 2019 SuDS Standards.

Q7 HOW DID YOU SCORE?
Please tick the relevant box

MOSTLY H and/or M → HIGH PRIORITY → EIA to be completed
 Please go to Section 2

MOSTLY L → LOW PRIORITY / NOT RELEVANT → Do not complete EIA
 Please go to Q8 followed by Section 2

Q8 If you determine that this initiative is not relevant for an EIA report, you must provide a full explanation here. Please ensure that you cover all of the relevant protected groups.

The strategy is part of the delivery of the Councils Corporate Objectives and Corporate Plan and Swansea Local Well-being Plan both of which will have undergone full EIA’s. As a strategy focusing on the natural environment it will not directly impact on any of the relevant protected groups. However by enhancing and improving the natural environment the strategy will contribute to all the Well-being of Future Generation Act’s 7 well-being goals and therefore indirectly contribute to the overall improvement of well-being for all Swansea residents including the relevant protected groups, by contributing to social, environmental, economic and cultural well-being.

Equality Impact Assessment Screening Form – Appendix D

Section 2

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email – no electronic signatures or paper copies are needed.

Screening completed by:
Name:
Job title:
Date:
Approval by Head of Service:
Name:
Position:
Date:

Please return the completed form to accesstoservices@swansea.gov.uk

Agenda Item 17.



Report of the Cabinet Member for Investment, Regeneration and Tourism

Cabinet - 18 February 2021

Castle Square Regeneration FPR7

Purpose:	To confirm approval of a first stage feasibility and concept study for the regeneration of Castle Square and to seek budget authorisation to progress to the next stages of detailed design, planning and consultation in accordance with Financial Procedure Rule No.7 (Capital Programming and Appraisals) - to commit and authorise the addition of new schemes to the Capital Programme.
Policy Framework:	Swansea Local Development Plan (2019), Swansea Central Area Regeneration Framework (2016), Regenerating our City for Well Being and Wildlife (2020) Corporate Priority Creating a Vibrant and Viable City and Economy Council constitution:- Financial Procedure Rules
Consultation:	Access to Services, Finance, Legal, Highways and Transportation, Culture and Tourism, City Centre Management, Planning.
Recommendation(s):	It is recommended that: 1) Fees of £782k for the Castle Square Regeneration scheme are added to the capital programme in line with Financial Procurement Rule 7 to progress to detailed design, planning and public consultation.
Report Author:	Gail Evans
Finance Officers:	Ben Smith/Jayne James
Legal Officer:	Debbie Smith
Access to Services Officer:	Catherine Window

1.0 Introduction

- 1.1 Development managers Spider management along with a multi-disciplinary team of consultants were appointed by the Council in 2019 to

deliver a regeneration programme for Castle Square from an assessment of feasibility, through to design and construction. Progress to each stage of the project is subject to Council Cabinet approval and subject to a review of available Council funding.

- 1.2 The regeneration project is based on an agreed brief which set out the objectives for an appropriate scale commercial opportunity in the Square, and for the delivery of a step change in the quality of its public realm. The overall aim for these interventions is to increase visitor dwell time in the City centre, create a destination suitable for a range of events, and to make it more active, distinctive and vibrant in line with other regeneration investment which is taking place in the City. The creation and repurposing of space at Castle Square will also make a significant contribution to how the City centre recovers from the economic and social effects of Covid 19, and meets other challenges which may be present post Brexit.
- 1.3 This report summarises the outcome of the first stage feasibility study and the development of the preferred scheme concept, following a series of member and officer workshops. It also sets out the initial estimated scheme cost, anticipated programme for delivery of the proposals, and seeks a budget and authorisation to take the scheme forward to detailed design and planning stage.

2.0 Design Concept

The concept scheme is based on the overall basic assumption of retaining the stepped amphitheatre form of the Square, removing the existing the fountain, and introducing a range of key interventions which are as summarised below and in Appendix A1, A2 and A3.

- 2.1 **Green Infrastructure-** A greener Castle Square will have multi-functional benefits for residents and contribute positively to creating an attractive destination space for visitors, connecting the City centre to the waterfront by reinforcing the City's green artery (as identified in the Swansea Central Area Regeneration Framework-SCARF, 2016).

The concept scheme shows the potential for increasing the percentage of greenspace in the Square from 25% to 41% and the enhancement of the area's green space factor score from 0.21 to 0.33 (Appendix A1). The aim is to retain existing trees, undertake additional tree planting which will add further shelter and shade, and any greenspace areas will be made more accessible for informal public use. Also appropriate additional landscaping will be used to add colour and character all year round, as well as providing air quality and micro-climate benefits, and facilitating the development of SuDS.

- 2.2 **Food and Beverage/ commercial opportunities-**The introduction of complementary food and beverage outlets with external seating will play a key role in activating the Square, increasing vitality and viability and increasing visitor dwell time in the City centre.

The concept scheme identifies two locations suitable for commercial food and beverage units in the Square (Appendix A2). One unit would be sited within part of the steps in the NE corner, and the other in the west corner of the site at the junction of Princess Way and Temple Street (near Zara). Both units would have south or west facing frontages, respect views to and from the Castle, minimise greenspace loss and maximise visitor footfall and visibility. Both units could be subdivided to provide scope for two sets of 2x100 sq.m. units (4 max) with external covered seating. Initial advice from Savills suggests that these commercial units would be likely to appeal to a local independent or regional operator. Such an operator is more likely to be able to create a destination offering which improves the customer experience and supports the local economy. The scheme should therefore target good quality local operators.

- 2.3 Activating the Square-** The same amount of useable public space will be available within the Square for events, and areas of greenspace will also be made more publicly accessible. The introduction of a water jet feature at ground level will also introduce a new visual focal point and play/activity feature in the centre of the Square. This will have the flexibility of being able to be switched off to free up space for celebration or gathering. Further activation of the space can also be achieved by providing suitable locations for complementary pop up uses, and a range of other events could still be accommodated. The TV screen can also continue to play a role, but will need to be replaced in the years to come, as it is near the end of its current lifespan.
- 2.4 Placemaking and Identity-** A new high quality floor-scape upgrade is proposed which will help to create a distinctive sense of place and identity, and could include themes to reflect the coastal or heritage context. Detailed proposals in due course will need to balance the need for repaving with sustainable re use of existing materials, and should align with the Council's existing material palette with a realistic maintenance regime. Other interventions included in the concept scheme include contemporary lighting and digital art features to further animate the space. The introduction of permanent canopy structures over external seating space will also extend visitor dwell times in a range of seasonal weather conditions, and facilitate adaptations to support social distancing needs for businesses during Covid recovery.
- 2.5 Integration and connecting public space-** Castle Square is a significant nodal space within the Central Area that performs an important function for pedestrians and cyclists, linking the City centre and commercial core to the Copr Bay /arena and waterfront. By removing some of the Square's perimeter walls to improve pedestrian permeability, there will be better integration between the Square and adjacent areas (Appendix A3). The concept scheme shows how more positive use can be made of the space available, including the scope for external seating and dining in purpose-built pocket park areas on Temple Street and Princess Way. There is also an opportunity to enhance the carriageway surface at Caer Street and Castle Bailey Street, to improve integration with the Castle/Wind Street.

Subject to consultation, other physical barriers to pedestrian movement could be re-evaluated.

3.0 Equality and Engagement Implications

3.1 A public open space disposal notice issued in 2017 attracted a significant number of comments on the future of the Square, as did the public consultation on the draft green infrastructure strategy for the City centre (Regenerating our City for Wildlife and Wellbeing, 2019). Comments from these previous consultations have been used to guide the scheme concept options. However, a further more structured public engagement process will be used to gather support and public views, which can be considered further whilst the consultants progress the detailed design of the scheme. Direct email consultations with an informative web link, press releases and other digital media formats will be the primary mechanisms of consultation during the constraints of the current pandemic.

3.2 The Council is subject to the Public Sector Equality Duty (Wales) and should have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

An approved Equalities Impact Assessment (EIA) Screening Form accompanies this report (Appendix B) and a full EIA report will be finalised following the planned public engagement, and included with any subsequent report back to Cabinet prior to contract and at the end of Stages 2/3.

4.0 Financial Implications

4.1 **Scheme Cost** -Subject to agreeing the final scope, a preliminary indication of cost for the scheme has been estimated at between 6-9 million. This would cover the costs of demolition of the existing fountain and some perimeter walls, new paving, tree planting, landscaping, lighting, canopies, street furniture, a new TV screen, a new water jet feature and SuDS. It will also provide for the construction of two/four commercial units, along with consultancy fees, cost contingency and the optional additional integration works on Caer Street and Castle Bailey Street.

4.2 **Current funding needs** - This report is seeking approval of initial detailed work up costs of **£782,000**. This will enable the scheme to be taken through to RIBA stages 2 and 3 including detailed design, surveys, consultation, tenant discussions and planning permission. The consultants would anticipate the completion of these stages 2 and 3 by September 2021, so will be funded across financial years 2020-21 and 2021-22 as set

out in Appendix C. A further report will be brought to Cabinet once the capital budget has been set seeking the funding necessary to deliver the scheme. Subject to that approval, the consultants would anticipate scheme completion by the end of 2022.

- 4.3 **Revenue** -Due to the size and location of the commercial units, and the fact that they are most likely to attract local/regional operators, unit rent was expected to be in the region of £25,000 - £30,000 pax. However, this is assuming that the market returns to a level of normality over the next 12 months as the current environment could have an unprecedented effect on rates. Further revenue contributions could come from staged events, markets and revenues from the TV screen.
- 4.4 **Funding support**-Whilst there are potential income streams from aspects of the site development, there are also clear capital costs relating to the public and amenity space which will have to be fully met by the Council. There may be other public sector funding sources that can assist with the delivery of the wider public realm element of the development, and these need to be explored further.
- 4.5 **Management and Maintenance needs**- To retain the quality and character of this significant investment in the City's urban fabric, the scheme should have realistic and affordable requirements in terms of future maintenance and management resource implications. This consideration will inform the detailed design work which will be undertaken in stages 2 and 3, and the next stages of detailed work will enable the confirmation of future maintenance budget needs. The Council will need to consider these budget requirements and look at funding mechanisms for future maintenance, including the possibility of ring fencing rental income from the commercial uses in the Square to support its maintenance needs.

5.0 **Benefits and Risks of the scheme**

5.1 **Benefits summary:** The scheme has the following key benefits for the City Centre:

- The scheme complements and builds on the momentum established by other recent new investments in the City centre- Swansea Central/Copr Bay, Wind St. enhancement and Kingsway, collectively improving visitor and developer perception.
- Introduces new life and vitality, uplifts environmental quality and creates flexible space for events and new commercial food and beverage outlets in an established focal area in the City centre.
- Supporting Covid recovery by providing enhanced flexible external space facilitating increased visitor dwell time and diversifying the City centre offer.
- The Council is the scheme developer, so control can be retained over the appropriate use of the public space and the letting strategy for the commercial units.

- The enhanced public space will complement and be a catalyst for the regeneration of adjacent buildings (including BHS, other adjacent vacant units).
- The scheme contributes to enhanced City centre green infrastructure by forming part of the City's green artery linking greenspace across the City centre. Also additional green infrastructure (GI) contributes to improved resident and visitor well-being, mitigates climate change impacts and facilitates scope for sustainable urban drainage solutions.
- Enhances the setting of Swansea's Castle – the City's landmark heritage asset.

5.2 Risks and mitigation summary

- Preliminary costs have been prepared based on a concept scheme and on current levels of available information, with a number of assumptions, exclusions, and an appropriate contingency sum. Detailed survey, design and consultations in the next stages 2 and 3 will enable scheme cost allowances to be further validated.
- Covid 19 is having an unprecedented impact on the food and beverage market, nationally and locally. The target market for the commercial units will be the local operators, who will be able to create a more distinctive offering, and who may be able to demonstrate a greater resilience and adaptive operating capacity in the recovery from Covid. The consultants will undertake a re-assessment of prevailing market conditions to ensure the offer will still attract a suitable range of tenants, but it is anticipated that this distinctive destination opportunity will generate significant market interest in due course.
- Future management and maintenance will be fundamental to retaining the quality and character of the space. This should be supported by adequate budget and suitable materials supply contingency in due course.

6.0 Legal Implications

6.1 **Procedure-** As public open space, procedures for partial disposal have been followed under the provisions of Section 123(2A) of the Local Government Act 1972. Separate legal advice will be required regarding the future disposal of any land or property at Castle Square in line with any proposals to develop commercial activity at the site through for example the granting of leases to occupiers to operate restaurants on the site.

6.2 The Council has a legal obligation under Section 123 of the Local Government Act 1972 and under its own constitution that it shall not dispose of land for a consideration less than the best that can be reasonably obtained. Also before the land is considered for disposal that consideration be given as to any contractual obligations the Council may have in respect of the space and its facilities.

6.3 **Registration of Title-** The deeds for Castle Square are still with Land Registry, and awaiting registration of the title, which has been delayed by the pandemic.

6.4 **Contractual arrangements-** Following a procurement process undertaken in accordance with the Public Contracts Regulations 2015 a Development Manager was appointed, and a Development Management Agreement was signed and executed in November 2019. This Agreement covers all the conditions of contract for the Development Manager from feasibility through to design and build. Progression through each stage of the Commission is dependent upon Council approval and available budget.

Background Papers: None

Appendices:

Extracts from presentation (Appendix A1, A2 and A3)

Equalities Impact Assessment Screening Report (Appendix B)

Financial implications (Appendix C)

APPENDIX A1: GREEN INFRASTRUCTURE



9.12.2020

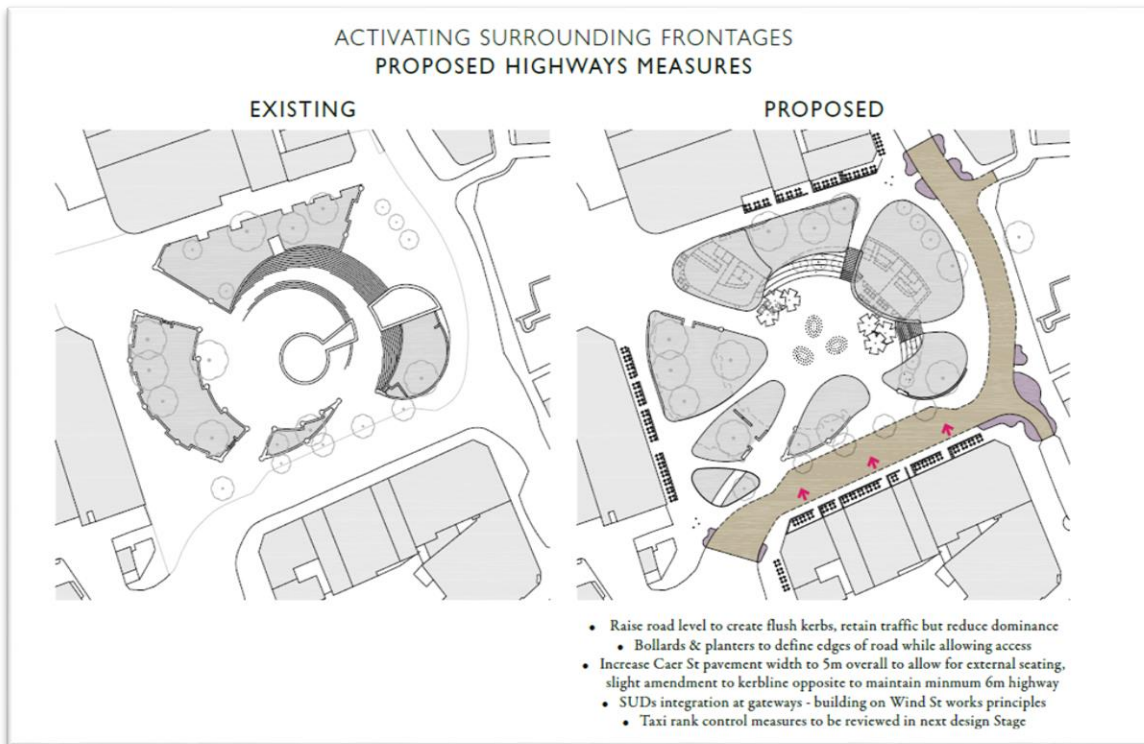
ILLUSTRATIVE VIEWS FROM CORNER OF PRINCESS WAY & CAER ST



APPENDIX A2 : FOOD AND BEVERAGE UNITS



APPENDIX A3: ADDITIONAL INTEGRATION OF CAER ST AND CASTLE BAILEY ST



APPENDIX B- Equalities Impact Assessment Screening Form

Please ensure that you refer to the Screening Form Guidance while completing this form. If you would like further guidance please contact your directorate support officer or the Access to Services team (see guidance for details).

Section 1

Which service area and directorate are you from?

Service Area: [Regeneration](#)

Directorate: [Place](#)

Q1(a) WHAT ARE YOU SCREENING FOR RELEVANCE?

Service/ Function Proposal	Policy/ Procedure	Project	Strategy	Plan	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(b) Please name and describe below

Castle Square

Castle Square lies at the heart of Swansea's Central Area, and is an important stepping stone between Kingsway, High Street, the proposed Swansea Central development, and waterfront. It is also an important 'place' in the City overlooked by the landmark Castle. There is considered to be an important opportunity to enhance the Square, to give it new vibrancy and life, to raise its quality and to make it a contemporary new public space complementing other significant regeneration investments taking place in the City.

The key aims of this regeneration project are therefore:

- The development of a café bar restaurant facility within the Castle Square area;
- The comprehensive enhancement of the public realm of Castle Square; and
- To consider options for the physical and functional integration of the Square with adjacent areas of St Mary's Church, Oxford Street, Temple Street, Caer Street, Princess Way, the Castle and Wind Street.

Q2(a) WHAT DOES Q1a RELATE TO?

Direct front line service delivery	Indirect front line service delivery	Indirect back room service delivery
<input type="checkbox"/> (H)	<input checked="" type="checkbox"/> (M)	<input type="checkbox"/> (L)

(b) DO YOUR CUSTOMERS/CLIENTS ACCESS THIS...?

Because they internal need to	Because they want to	Because it is automatically provided to everyone in Swansea	On an basis i.e. Staff
<input type="checkbox"/> (H)	✓ (M)	✓ (M)	<input type="checkbox"/> (L)

Q3 WHAT IS THE POTENTIAL IMPACT ON THE FOLLOWING...

	High Impact (H)	Medium Impact (M)	Low Impact (L)	Don't know (H)
Children/young people (0-18)	☒			
Any other age group (18+)	☒			
Disability	☒			
Gender reassignment		☒		
Marriage & civil partnership		☒		
Pregnancy and maternity		☒		
Race		☒		
Religion or (non-)belief		☒		
Sex	☒			
Sexual Orientation		☒		
Welsh Language		☒		
Poverty/social exclusion	☒			
Carers (inc. young carers)	☒			
Community cohesion	☒			

Q4 HAVE YOU / WILL YOU UNDERTAKE ANY PUBLIC CONSULTATION AND ENGAGEMENT RELATING TO THE INITIATIVE?

YES ✓ NO (If NO, you need to consider whether you should be undertaking consultation and engagement – please see the guidance)

If yes, please provide details below

Following Cabinet approval full virtual consultation will be undertaken with the following target groups:

- Internal Swansea Council – Operational - waste/highways/maintenance/C&T/Legal/Procurement /CLLRs WARD MEMBERS
- WECTU/Resilience
- Green Infrastructure
- Access Interests
- Local Residents
- Surrounding Businesses
- Tree Forums

- Wider Public Consultation via the castle Square website

After these have taken place there will be:-

- Regular project communications at key milestones including via press, web, social media, e-mail distribution list to local community, business (via BID).
- Site notice boards.

Q5(a) HOW VISIBLE IS THIS INITIATIVE TO THE GENERAL PUBLIC?

High visibility (H) <input checked="" type="checkbox"/>	Medium visibility <input type="checkbox"/> (M)	Low visibility <input type="checkbox"/> (L)
--	---	--

**(b) WHAT IS THE POTENTIAL RISK TO THE COUNCIL'S REPUTATION?
(Consider the following impacts – legal, financial, political, media, public perception etc...)**

High risk <input checked="" type="checkbox"/> (H)	Medium risk (M)	Low risk <input type="checkbox"/> (L)
--	--------------------	--

Q6 Will this initiative have an impact (however minor) on any other Council service

Yes No If yes, please provide details below
[Maintenance obligations/Events/C&T/Legal/Procurement/Finance](#)

**Q7 HOW DID YOU SCORE?
Please tick the relevant box**

MOSTLY H and/or M → HIGH PRIORITY → EIA to be completed
Please go to Section 2

MOSTLY L → LOW PRIORITY / NOT RELEVANT → Do not complete EIA
Please go to Q8 followed by Section 2

Q8 If you determine that this initiative is not relevant for a full EIA report, you must provide adequate explanation below. In relation to the Council's commitment to the UNCRC, your explanation must demonstrate that the initiative is designed / planned in the best interests of children (0-18 years). For Welsh language, we must maximise positive and minimise adverse effects on the language and its use. Your explanation must also show this where appropriate.

Section 2

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email – no electronic signatures or paper copies are needed.

Screening completed by:
Name: Chantel Ellis
Job title: Project Support Officer
Date: 18 11 20
Approval by Head of Service:
Name: Phil Holmes
Position: Head of Service
Date: 05/01/21

APPENDIX C - FINANCIAL IMPLICATIONS SUMMARY

Expenditure for RIBA Stages 2 and 3	2020/21	2021/22	TOTAL
Core consultancy team: design and planning			
Support consultancy :technical			
Surveys			
Contingency			
TOTAL	£67,000	£715,000	£782,000

Agenda Item 18.



Report of the Cabinet Member for Investment, Regeneration and Tourism

Cabinet – 18 February 2021

Cultural Services Covid-19 External Funding Paper

Purpose:	To report on and gain retrospective agreement for external grant funding received by Cultural Services in connection with Welsh Government's cultural sector COVID-19 recovery funding.
Policy Framework:	Transformation and future council development; Covid Recovery Planning
Consultation:	Access to Services, Finance, Legal
Recommendation(s):	It is recommended that Cabinet: 1) Notes the efforts to access external / government funding for the Cultural Sector resulting in applications being made with little notice; 2) Confirms retrospective approval for the acceptance and utilisation of the funding received, and to authorise the acceptance of amounts pending, subject to criteria being fulfilled as outlined in item 4.3.
Report Author:	Tracey McNulty
Finance Officer:	Ben Smith
Legal Officer:	Deb Smith
Access to Services Officer:	Catherine Window

1. Background

- 1.1 Cultural and sporting activities have been particularly badly hit by the COVID-19 pandemic, and concerns for recovery remain given social distancing, which limits the prospects for reintroducing audiences and viable sales figures.
- 1.2 The service has historically operated on an income generating model that accounts for around 45 – 50% of its costs overall. However, the majority of our venues and services closed to the public from 23rd March 2020 and

have reopened on a limited, temporary or sporadic basis, removing our opportunity for sales, hires or other partnership income.

- 1.3 Many staff were temporarily redeployed to the Covid response, whilst others focused on moving activity to online platforms, advisory and digital services and new business strategies, ways of working and operating models that could be developed for a new 'covid secure' environment – including the partnership model for the Grand theatre.
- 1.4 These plans were vital in us being able to access funding streams made available by UK Govt. for 'Cultural Recovery', devolved via Welsh Govt, and delivered through bodies and agencies such as Sport Wales, Arts Council Wales, and MALD.
- 1.5 The Government recognised the fragility of the sector in not being able to operate or qualify for other business grants and created a specific funding programme for 'Cultural Recovery', focused on financial stabilisation through plugging gaps from lost income and supporting new ways of working to enable the sector to reposition itself post covid.
- 1.6 A significant number of organisations and freelancers in Swansea have benefited from Government grants for the sector as a result, but this report refers to those monies awarded to the Council run cultural services.

2. General Issues

- 2.1 Any duplication with applications to WG for lost income, submitted corporately, has been addressed and does not need accounting for herein. Grant funding received, or pending, is detailed below in Item 4.3, the grants being arranged by service area. In each case the funding agency and the purpose/ status of the grant is outlined alongside the amount received.
- 2.2 The majority of small amounts were made retrospectively to cover lost income or compensate for costs incurred and goods to be purchased; others are reliant on programme and spend approvals in line with current legislation. All but one required no match funding from the Council – and all came with a very tight turnaround, save for the Sport Wales award, which was provided based on current business strategy for delivering health and wellbeing, requiring no application procedure.

3. Equality and Engagement Implications

- 3.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.

- Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment (EIA) process ensures that we have paid due regard to the above.

- 3.2 An EIA Screening Form has been completed with the agreed outcome that a full EIA report was not required. This is because the purpose of the funding is to maintain services and allow them to resume once the period of lockdown is ended, not in any way to reduce or remove them as would be the case if they became economically unsustainable.

4. Financial Implications

- 4.1 The financial implications associated with this report are limited since most of the grant aid has been given with no match funding required from the Council. Only one of the grants listed (repurposing of the Arts Wing of the Grand Theatre) requires a 33% contribution of £25K, which is available through the restoration fund. Cabinet previously approved the partnership model based on the development needs of the venue. We are grateful that the ACW recovery fund has helped accelerate a reciprocal approach to programming and Race Council Cymru objectives, creating a stronger recovery scenario than could have been achieved otherwise.

- 4.2 The Awards relate to the current financial year due to them being based on losses this year, and the situation at the time of the awards, that we were heading toward easing/ reopening and recovery. We now know this not to be the case, as lockdown and tighter restrictions inhibit the delivery of the programmes. We are currently liaising with our colleagues in MALD, ACW and Sport Wales to ensure adequate planning, re-profiling and adjustment to outcomes is in place before year end.

4.3 Summary of Covid specific Grant awards received by Cultural Services 2020/21

Service Area	Funding provider	Name of fund and process	Amount and status	Purpose of grant
Sport Development	Welsh Government through Sport Wales	Over 60s Active Leisure Fund – no formal application – awarded on the basis of previously agreed contract for delivery.	£31.3K Received	Cover loss of income, staff redeployment etc
Sport Development	Welsh Government through Sport Wales	Sport Wales Recovery Fund – as above.	£157K Received	To support post-COVID physical activity and measure community response to sport

Grand Theatre	Welsh Government through Arts Council Wales	Cultural Recovery Fund CRF – awarded on submission of the current and future business plan, approach to programming, partnership and post covid operating model.	£890K On confirmation of quotes and programme finalisation – requires a roll forward.	Cover loss of income, staff redeployment etc £718K Use of consultancy for transformation review £15K Grant for 2021 programming £157k
Grand Theatre	Welsh Government through Arts Council Wales	Cultural Recovery Fund – as above	£50K (match funding of £25K taken from GT Restoration Fund) On confirmation of quotes.	Re-purposing of GT Arts Wing for multicultural community use – nb. RCC also received a grant to the same value for the same purpose.
Swansea Museum	Welsh Government through MALD	Cultural Resilience Fund – application stating costs of materials such as signage, screens, ppe etc. and reopening plan	£5K - received	Purchase of materials required for re-opening COVID-secure service
Glynn Vivian Art Gallery	Welsh Government through MALD	Cultural Resilience Fund – as above	£5K – received	Purchase of materials required for re-opening COVID-secure service
Glynn Vivian Art Gallery	Welsh Government through Arts Council Wales	Arts Council; Recovery Fund – as per the Grand theatre process for CRF.	£100K – on confirmation of quotes, programming details and revised timeline	Cover loss of income, staff redeployment etc £40K Help to programme for new and diverse audiences £60K
Swansea Libraries	Welsh Government through MALD	Local Government Cultural Support Fund	£14.75K – received	Develop a marketing programme and purchase equipment for post-COVID service recovery
Swansea Libraries	Welsh Government through MALD	Estyn Allan	£5K – received	Contribution to a pan-Wales project to upgrade library staff IT skills and buy IT equipment

Swansea Libraries	Welsh Government through MALD	Cultural Resilience Fund – as per the GVAG and Museum purchases and reopening needs for ppe etc	£5K – received	Purchase of materials required for re-opening a COVID-secure service
West Glamorgan Archive Service	Welsh Government through MALD	Cultural Resilience Fund – as above	£1.3K – received	Purchase of materials required for re-opening a COVID-secure service
		Totals	1,264,350m	

5. Legal Implications

5.1 There are no legal implications associated with this report.

Background Papers: EIA screening form.

Appendices: None

Agenda Item 19.



Report of the Cabinet Member for Investment, Regeneration & Tourism

Cabinet – 18 February 2021

Recommendation for the Treatment of Rents at Swansea Market for Application from the End of the Last Concession Period (16 November 2020) to the End of the 2020/21 Financial Year

Purpose:	To agree an approach to the treatment of rents at Swansea Market to be implemented from the end date of the initial agreed COVID-19 related rent concession period (16 November 2020) to the end of the 2020/21 financial year.
Policy Framework:	Corporate Priorities, Swansea Central Area Regeneration Framework (SCARF), Financial Procedure Rules.
Consultation:	Access to Services, Finance, Legal, Property Services.
Recommendation(s):	It is recommended that: <ol style="list-style-type: none">1) During periods of COVID lockdown (i.e. at times when non-essential retail is not permitted to trade), all traders receive a 70% reduction in rent.2) At all other periods until the end of the COVID pandemic, a rent concession is granted to individual traders who demonstrate a 40% fall in turnover during a defined period compared to the same period last year. Traders not eligible for Welsh Government grants to date would receive a slightly higher discount upon demonstration of a 30% fall in turnover.3) In the event that lockdown is lifted but not all non-essential retailers can resume business (e.g. close contact services such as beauty salons must remain closed), these individual businesses would be treated as a unique case and would continue to receive the 70% reduction in rent until such a time when they are legally permitted to re-open.

- 4) Swansea Market rents are calculated and due every 4 weeks. The concessions would cover the following rental periods:
16 November 2020 to 13 December 2020
14 December 2020 to 10 January 2021
11 January 2021 to 7 February 2021
8 February 2021 to 7 March 2021
8 March 2021 to 4 April 2021

For the purposes of ease of administration and simpler communication to Swansea Market Traders, it is proposed that the concessions apply to 4 April 2021 instead of 31 March 2021.

Report Author:	Sarah Lawton
Finance Officer:	Ben Smith
Legal Officers:	Sally-Ann Evans / Tracey Meredith
Access to Services Officer:	Rhian Millar

1.0 Introduction

- 1.1 The previous package of COVID related rental concessions granted by the Council to Swansea Market traders began on 9 March 2020 and concluded on 15 November 2020. These were agreed by Cabinet at meetings on 16 July and 19 November 2020.
- 1.2 From 15 November 2020, 5 scheduled rent periods remain for the rest of the 2020/21 financial year. The last period ends on 4 April 2021. 100% rental charge is the current position.
- 1.3 Prior to the Welsh Tier 4 lockdown introduced on Sunday 20 December, representations had been made by traders asking that going forward the rent be based on footfall. This has been considered but is an unorthodox method of rent valuation which sets a dangerous precedent and is not acceptable.
- 1.4 However, reflecting upon how the current COVID situation is legitimately impacting the viability of businesses in the Market, a rent concession is recommended. Under current restrictions, footfall is approximately 30% of pre-COVID footfall.
- 1.5 This should be considered in conjunction with the significant grant support that Welsh Government is providing to businesses – which is designed to help cover fixed costs such as rent.
- 1.6 An alternative approach is proposed which aims to support those traders most in need. This will be related to turnover and administered via a simple application system comparative to the model that has been successfully implemented in Llanelli and Carmarthen Markets.

- 1.7 It is also recommended that when in a state of lockdown (current and in the future) and non-essential retail is not permitted to open, a rent reduction at 70% is automatically applied to all traders.

2.0 Summary of rental concessions and grant support to date

2.1 Total financial value

Period (2020)	Concession	Rationale	Value
9 March – 28 June	100% rent waiver	National Lock-down	£367,060
29 June – 23 Aug	Rents @ 35% of standard level	Interim measure to support the traders to adapt and re-build their businesses following the COVID-19 pandemic.	£201,881
24 Aug – 15 Nov	Rents @ 70% of standard level		
23 Oct – 9 Nov	100% rent waiver	Wales Fire-break	£32,100
TOTAL VALUE:			£601,041

- 2.2 Following an application to Welsh Government, the Council has recovered £440,000 of the total loss of £601,041. This accounts for losses up until the end of Quarter 2. It is hoped that further concessions granted by the Council may also be recoverable from Welsh Government, however this is not guaranteed.

- 2.3 Standard rent levels are dependent upon size and location of stalls ranging from £227 per period to £2,500 per period. Below is an example of how an average trader could have benefitted from these rental concessions from 9 March to 15 November 2020:

Rent per period (100%)	£766
Amount due over 9 periods (9 March to 15 Nov) – WITHOUT concessions	£6,894
Amount actually invoiced over 9 periods (9 March to 15 Nov) – WITH concessions	£1,761 (ie. 26% of full rent)
Total average concession value	£5,133

- 2.4 Additionally, Welsh Government have provided cash grants to businesses. Please see Appendix 1 for details of such grants that have been available to Swansea Market traders.

- 2.5 Welsh Government support has also been available to all eligible traders in the form of:

- Business Rate Relief
- Self-Employment Income Support Scheme
- Coronavirus Job Retention Scheme
- Statutory Sick Pay Rebates
- Business Bounce Back Loans

- Business Interruption Loan Scheme

2.5.1 City Centre Management has signposted traders to this support throughout the pandemic and helped deal with multiple trader queries.

2.6 It is reasonable to assume that there have been financial ‘winners and losers’ following the support granted to date.

2.7 Below is an example of what this grant support would mean for a ‘non-essential’ trader with a NDR rated stall using the average rent in point 2.3 above.

Standard rent due	Invoiced rent	Value of concession received	Welsh Government grant received
£6,894	£1,761	£5,133	£17,000

2.8 Below is an example of what this grant support would mean for an ‘essential’ trader who doesn’t occupy a NDR rated stall using the average rent in point 2.3 above.

Standard rent due	Invoiced rent	Value of concession received	Welsh Government grant received (<i>upon successful application</i>)
£6,894	£1,761	£5,133	£4,000

2.8.1 There are six stalls within Swansea Market that would fall into the category of being ‘essential’ and not occupying a NDR rated premises.

2.9 All traders occupying rateable premises during the first lockdown were awarded £10,000 whether they were ‘essential’ retailers or not. Some of these traders continued to use the Market as a hub (rent-free) from where they operated a delivery service model. This undoubtedly provided a valuable service to the community and there was huge demand.

2.10 It should be noted that despite generous rent concessions and grant support, a few traders have still failed to pay any of the rent invoices issued. These will be subject to debt recovery action by Legal services once the Council moratorium on such action has been lifted.

2.11 Two stalls were due to be surrendered back to the Council at the end of December. However, these ‘non-essential’ retailers have asked to continue to trade for a few months longer. This is a positive in terms of occupancy, but may also reflect that for some the COVID situation is a better financial proposition given the rent reductions and grant awards.

2.12 Discussion with NMTF (National Market Traders' Federation) suggests that Swansea Council has by far been one of the most generous market operators in the UK in terms of rent concessions during the pandemic.

3.0 Proposal

3.1 It is proposed that a means tested system is introduced as a fairer approach to rent concessions going forward. It would also ensure that funds are targeted to those most in need.

3.2 It is recommended that such a system is applied for rent due from 16 November 2020 to 20 December 2021 (5 weeks). Going forward, the same system would be applied outside of lockdown periods up until the end of the 2020/21 financial year.

3.3 It is proposed that a **30%** rent reduction is provided for traders who can evidence a **40%** drop in turnover in comparison to the same period year on year.

3.4 A different basis would be provided for those traders who were not trading last year. The evaluation period would be for the July, August and September financial quarter. (This was a period without any lockdown or firebreak and would likely offer the fairest basis for an assessment.)

3.5 This turnover assessment would include all business sales such as online and deliveries and not just in person sales in the Market.

3.6 Traders who do not occupy NDR rated premises and who did not receive any grant support could receive a higher level of rent reduction at **40%** for the same period and upon evidence of a **30%** drop in turnover.

3.7 Criteria, such as payment of invoices up until the end of the last concession period would apply.

3.8 Welsh Government discretionary grant support is offered to eligible businesses who can evidence a **40%** drop in turnover during a specified period. The same approach to rental concessions would be consistent with this.

4.0 Assessment of Proposal

4.1 There will likely be disappointment felt by some traders as this approach means that a concession is not automatically awarded and they will need to apply. Some traders may also be reluctant to share their financial records and may complain the level of concession is less than what has been granted previously i.e. 30-40% versus 30-70%. However, it is still a generous offer of support and a system that has been used successfully in other markets.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Only those in most need would receive it • It would limit Council income loss • Evidence would need to be provided • Data could also give insight into performance of the Market as a whole 	<ul style="list-style-type: none"> • High number of queries from traders and guidance required • Resource required for administration of applications and subsequent credits • Traders may be reluctant to provide financial information

4.2 It is reasonable to assume that those who can legitimately demonstrate a fall in turnover and in need of financial support will provide the financial information as requested. Those who have been in receipt of discretionary funds from Welsh Government would have already had to have provided similar information.

5.0 Administration

5.1 An application system would be devised to ensure that the process, whilst robust and auditable, is user friendly and can be administered quickly.

5.2 State aid, GDPR and rights of appeal are among the key measures that will need to be built into procedures.

5.3 Rents are now overdue for the period 16 November to 13 December 2020 and invoices have been issued at full rent for the period as originally planned. For the subsequent period, credits will be given to traders who have successfully applied for the turnover-related concession.

6.0 Financial Implications – Turnover-related concessions

6.1 The financial impact of maintaining a blanket approach to rents as per the initial approach – i.e. all traders receiving a 30% discount - would be **£34,411 over 5 weeks** (16 November to the start of the Tier 4 lockdown / 20 December 2020).

6.2 Based upon the experience of other markets who have successfully adopted the proposed means tested approach (many from the start of the crisis), the eligibility rate is likely to be between 30% and 40%. For Swansea Market this would mean a total loss of revenue of:

Period	Loss at 30% trader eligibility	Loss at 40% trader eligibility
5 weeks (16 Nov to 20 Dec 2020)	£10,322	£13,763

6.3 It is recommended that a turnover related concession becomes the standard approach to consideration of COVID rent reductions during the rest of the financial year. The estimated loss per week would be £2,064 (at 30% trader eligibility) or £2,753 (at 40% trader eligibility). However, as per

Paragraph 7.0 below, it is recommended that a different approach is taken during lockdown situations where non-essential retail are not permitted to trade.

- 6.4 The only exception would be in the case of the lifting of lockdown where some traders would still not be legally permitted to re-open. For example, whilst non-essential retailers may return, legislation may prohibit close contact services such as beauty salons to resume. There are 3 such close contact services in Swansea Market. In this instance, an approach in line with ‘lockdown concessions’ would continue to apply to these traders.

7.0 Tier 4 Lockdown

- 7.1 On Saturday 19 December, the Welsh Government announced that a Tier 4 lockdown would commence on 20 December meaning that all non-essential retail would close with immediate effect.

- 7.2 Swansea Market remains open for essential traders and approximately 20 stalls continue to operate. This is mostly essential food traders, but some are takeaway businesses. Non-essential traders can also offer a click and collect service from the Market.

7.2.1 Footfall figures are understandably low – approximately just 30% of pre-lockdown footfall and 20% of pre-COVID footfall.

Date	Footfall	Headcount at 1pm
(Pre-COVID) Weds 7 August 2019	12,502	N/A
(Pre-lockdown) Weds 5 August 2020	7,498	188
(Current) Weds 13 January 2021	2,371	29

- 7.3 The lockdown presents a new challenge on how rents are managed going forward. At this time it is unknown how long the lockdown will be in place, whether any further support will be available as well as the possibility of future lockdown scenarios.

- 7.4 A continuation of a means tested approach would mean that some traders may not get any concession. Further, there may be some opposition to the level of reduction proposed given that it is less than before i.e. 70% versus a 100% rental waiver in the two previous lockdowns.

- 7.5 However, a full rent concession (i.e. 100% waiver) for all traders would carry a loss of £91,765 each period. This is unsustainable particularly given that fixed costs remain and operational costs are being incurred as the Market remains open to essential traders. Depending on length of lockdown, the loss would be:

Dates	No. of periods	Loss
21 Dec – 7 February	2 periods	£183,530
21 Dec – 7 March	3 periods	£275,295

21 Dec – 4 April	4 periods	£367,060
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- 7.6 Alternatively, it is recommended that a 70% rent reduction for all traders is applied, as was the case of rent concessions for lockdown recovery in June and July 2020.

Dates	No. of periods	Loss
21 Dec – 7 February	2 periods	£128,471
21 Dec – 7 March	3 periods	£192,706
21 Dec – 4 April	4 periods	£256,942

- 7.7 The recovery of some rent helps limit Council loss and also recognises that all Swansea Market traders are receiving Welsh Government support which is supposed to be used to help cover fixed costs such as rent.

8.0 Financial Implications–Turnover-related and Tier 4 Lockdown concessions

- 8.1 Given that the duration of the Tier 4 lockdown is unknown, it is difficult to predict exact losses but the below would be a reasonable assumption for the remainder of the financial year:

Type of concession	Period	Value
Turnover related	16 Nov to 20 Dec 2020	£13,764
Tier 4 Lockdown (70% rent reduction)	21 Dec to 7 March 2021	£192,706
Turnover related	8 March to 4 April 2021	£11,010
TOTAL		£217,480

- 8.2 It is hoped that these Quarter 3 and Quarter 4 losses will be recoverable in part or full from Welsh Government. However there is no guarantee that this will be the case or what the position will be next financial year. These proposals offer support to the traders but also help safeguard the Council's position regarding the Market going forward.

9.0. Recommended next steps

- 9.1 It is recommended that the below is endorsed as a standard approach to the treatment of rents in response to the COVID pandemic up until the end of the 2020/21 financial year:

Business 'as usual' i.e. essential and non-essential retail can open	Turnover / means tested approach – rent concession granted upon successful application
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National or local lockdown i.e. only essential retail can open	70% rent reduction for all traders

- 9.2 As such, the turnover / means tested method is to be applied from 16 November until the rental period ending 4 April 2021 unless in a lockdown situation.
- 9.3 Treatment of rents during Tier 4 lockdown (from 21 December 2020), and future lockdowns should they occur, to apply a wholesale rent reduction approach of 70%.
- 9.4 Traders who may still not be permitted to trade at the end of current Tier 4 lockdown, or subsequent lockdown scenarios, (e.g. potentially close contact services), will continue to receive the lockdown rent concession until they are legally permitted to re-open.

10.0 Equality and Engagement Implications

- 10.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
- 10.2 In order to comply with the relevant equality regulations, an EIA Screening Form has been completed with the agreed outcome that a full EIA report is not required in this instance.
- 10.3 The EIA Screening Form is appended as a background paper to this report.
- 10.4 Swansea Market traders are Council tenants operating under lease or licence agreements with set rent levels. From the beginning of the COVID pandemic, a rent concession package has been granted to traders and in order to continue to support these businesses to the end of the financial year. City Centre Management is proposing further concessions. There is no proposed change to their tenancies or for rents to be increased above their contracted levels. As such, the potential impact for all groups is low.

11. Legal Implications

- 11.1 There are limited legal implications associated with this report.

11.2 Whatever the decision with regard to the approach to the treatment of Swansea Market rents, there still remains a risk of arrears, which could be higher than normally experienced. Instrumental to the debt recovery process will be the readiness of Legal and Accounts Receivable resources.

11.2 The current Market leases are being held over as part of a lease renewal process. This recommendation does not alter the terms of the lease or the passing rent levels. The recommendation is simply a short term concession in response to an unprecedented situation. Consideration should be taken of the Concessionary Letting Policy.

Background Papers: EIA Screening Form

Appendices:

Appendix 1 - Welsh Government COVID cash grants that have been made available to Swansea Market traders

Appendix 1: Welsh Government COVID cash grants that have been made available to Swansea Market traders.

COVID Phase	Amount	Eligibility
1 st Lockdown Non Domestic Rates (NDR) Grant	£10,000	All traders occupying a NDR rated stall (This applies to over 90% of traders)
Local Lockdown & Firebreak NDR Grant	£4,000	All traders occupying a NDR rated stall and classed as non-essential – automatic payment.
Local Lockdown & Firebreak Discretionary Grant	£2,000	All other traders who could demonstrate a fall in turnover – paid upon successful application.
Tier 4 Lockdown NDR Grant	£3,000	All traders occupying a NDR rated stall and classed as non-essential – automatic payment.
Tier 4 Lockdown Discretionary Grant	£2,000	All other traders who could demonstrate a fall in turnover – paid upon successful application.

Agenda Item 20.



Report of the Leader and Cabinet Member for Economy, Finance and Strategy

Cabinet – 18 February 2021

Approval of Swansea Bay City Deal Funding Agreements

Purpose:	To note the terms and conditions attached to the award of government funding and to approve the funding agreements necessary to secure the release of the city deal funding.
Policy Framework:	Swansea Bay City Region City Deal
Consultation:	Access to Services, Finance, Legal
Recommendation(s):	It is recommended that Cabinet: <ol style="list-style-type: none">1) Notes the terms and conditions attached to the offer of government funding contained within the Funding Award letter dated 16th December 2020;2) Approves the content of the principal funding agreement between the Accountable Body and Swansea Council in relation to the Swansea City and Waterfront Digital District Project at Appendix A and authorises the Chief Legal Officer to make any necessary amendments and to enter into the agreement on behalf of the Council to enable the Council to receive City Deal funding;3) Authorises the Director of Place together with the Chief Finance Officer to exercise delegated authority to finalise the terms of any funding agreement between the Accountable Body and Swansea Council in relation to any other City Deal projects where the Council is acting as a Project Authority Lead and authorises the Chief Legal Officer to enter into those agreements on behalf of the Council;4) Notes the content of the template secondary funding agreement that the Council will enter into with a Recipient of City Deal government funding at Appendix B and authorises the Director of Place together with the Chief Finance Officer to negotiate and agree final terms with any relevant Recipient within any City Deal project involving the Council and authorises the Chief Legal Officer to enter into those agreements on behalf of the Council.

Report Author:	Debbie Smith
Finance Officer:	Ben Smith
Legal Officer:	Tracey Meredith
Access to Services Officer:	Rhian Millar

1. Background

- 1.1 The Welsh Government and the UK Government have committed to provide capital grant funding totalling £241 million to support the Swansea Bay City Region City Deal (SBCRCD). Of this total, £125.4 million is to be contributed by the Welsh Government and £115.6 million by HM Treasury. The release of any funding is to be managed via the Welsh Government on behalf of both governments.

2. The Award of Funding

- 2.1 The SBCRCD received its first award of funding letter with associated terms and conditions on the 24th October 2019 which provided for the release of funding of £18.0 million in 2019-20 for the SBCRCD based on the business cases submitted for the Creative Digital Cluster – Yr Egin and the Swansea City and Waterfront Digital District Projects. In addition, up to £18.0 million of further funding was available in 2019-20 to support the SBCRCD, subject to the conditions set out in the award letter.
- 2.2 A further award letter with associated terms and conditions was issued by Welsh Government and dated 16th December 2020 and provides for the release of funding of up to £36.0 million in 2020-21 for the SBCRCD. The Funding relates to the period 1 April 2020 to 31 March 2021 (relating to years 2019/20 and 2020/21) and will be paid in two instalments relating to the applicable years. The first instalment of £18.0 million will be claimed immediately and the second instalment of £18.0 million must be claimed by 28 February 2021 otherwise any unclaimed part of the Funding will cease to be available. Subject to meeting the Targets in Schedule 2, Welsh Government will aim to pay the second instalment of Funding by 31 March 2021.
- 2.3 The terms and conditions of the latest funding award letter have been considered and accepted by the Section 151 Officer for SBCRCD and subsequently approved by the Joint Committee on 14th January 2021. In accordance with the terms of the Joint Committee Agreement the funding award letter has also been approved by the Council's Chief Finance Officer and S.151 Officer utilising his delegated powers pursuant to Financial Procedure Rule 8.4.

3. Project Funding Agreements

- 3.1 Two funding agreements have been approved by the Joint Committee to enable the release of funding to the various projects. The Funding Agreements are the framework by which funding is managed and released from the Accountable Body on behalf of the programme.
- 3.2 **Principal Agreements**
This agreement details funding arrangements between Carmarthenshire County Council as the Accountable Body and each of the Councils acting as Project Authority Lead for projects within the Swansea Bay City Deal programme, as set out in the Joint Committee Agreement. It ensures that the obligations contained within the UK and Welsh Government funding award letters are transferred from the Accountable Body to the relevant Project Authority Lead as appropriate. It sets out the project outputs, the mechanism for calculating the amount of funding, the process for payment and the governance arrangements for monitoring the use of the funding.
- 3.3 **Secondary Agreements**
This agreement details funding arrangements between a Council as a Project Authority Lead and a Recipient of government funding/third party organisations enlisted to support the delivery of the Swansea Bay City Deal Programme. The template is available for Project Authority Leads to use if they wish and to tailor to the specific requirements of the project. As the Project Authority Leads are accountable to the Accountable Body for the delivery of the project outputs and the proper use of the funding, then these secondary agreements are designed to transfer some of the liability to the delivery partners as appropriate, thereby protecting the Councils as the Project Authority Leads.
- 3.4 The funding agreements support the Joint Committee Agreement by providing a governance structure ensuring there is clarity and understanding from both parties, enabling them to efficiently and effectively discharge their duties in delivering projects within the City Deal Programme. In addition to dealing with the purpose and process of project funding and the distribution basis of funding, the agreements also contain provisions relating to data protection, confidentiality and indemnities and a process for dealing with enforcement of obligations and disputes.
- 3.5 The template funding agreements were approved by the Joint Committee on 11th June 2020.

4. Swansea City and Waterfront Digital District Projects

- 4.1 The Accountable Body has now issued to the Council the principal funding agreement for the Swansea City and Waterfront Digital District Projects which is attached at Appendix A. The terms of the Agreement are standard and non-negotiable and the project specific detail is contained within the Schedules. Particular attention is drawn to Schedule 4 which contains the financial information relating to the Project and Schedules 5-8 which

contain the Targets, Project Agreed Outputs, Outcomes and Impacts. The Council is obliged to deliver the Targets and the Project Agreed Outputs as opposed to an obligation to use reasonable endeavours to deliver the Outcomes and an obligation to report on the Impacts.

- 4.2 Now that the principal agreement has been received, the Council can draft a bespoke project specific secondary agreement with each of its delivery partners/Recipients involved in the Swansea City and Waterfront Digital District Projects. The purpose of these secondary agreements will be to pass some of the obligations for achieving elements of the project deliverables to those third party organisations.
- 4.3 This report seeks approval to enter into the principal agreement with Carmarthenshire County Council as the Accountable Body and to enter into secondary agreements with all relevant delivery partners for this Project.

5. Equality and Engagement Implications

- 5.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment (EIA) process ensures that we have paid due regard to the above.

- 5.2 This report seeks to approve the SBCRCD funding agreements to facilitate the release of government funding to the city deal projects. Each of the projects and their various elements will have been subject to their own Equality Impact Assessment process which would have been approved by Cabinet when each of the projects was approved.

6. Financial Implications

- 6.1 The Award of Funding contains terms and conditions which are legally binding and there is the potential for financial consequences for the Council (claw back of funding) if the Council and its delivery partners do not comply with the conditions or with the funding agreements.
- 6.2 The Award of Funding relates to the period 2018-19 to 2020-21. The release of any funding in future will be conditional on compliance with the terms and conditions and will be subject to further Award letters.

6.3 Schedule 4 of the principal funding agreement sets out the financial profile for the Swansea City and Waterfront Digital District project and has been approved by the Council's Chief Finance Officer and S.151 Officer.

7. Legal Implications

7.1 The terms and conditions contained within the UK and Welsh Government funding award letters are legally binding and the Council must comply with the same.

7.2 By entering into the principal funding agreement with Carmarthenshire County Council, the Council will be accepting responsibility for achieving the project deliverables and there will be consequences for the Council in the event of a breach of the Agreement. It is therefore advisable for the Council to enter into a secondary funding agreement with any relevant delivery partner to ensure that liability and indemnities are appropriately shared between the parties.

Background Papers:

Award of Funding Letter dated 16th December 2020

Appendices:

Appendix A - Funding Agreement between Carmarthenshire County Council and the Council of the City and County of Swansea relating to the Swansea City and Waterfront Digital District Project.

Appendix B - Template Funding Agreement to be used between the Council of the City and County of Swansea and a Recipient of government funding.

DATED

2021

**(1) CARMARTHENSHIRE COUNTY COUNCIL
(2) THE COUNCIL OF THE CITY AND COUNTY OF SWANSEA**

**Agreement in relation to the distribution of funding from the Swansea Bay
City Deal**

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BETWEEN:

- (1) Carmarthenshire County Council of County Hall, Carmarthen, Carmarthenshire SA31 1JP (“the Accountable Body”); and
- (2) The Council of the City and County of Swansea of Civic Centre, Oystermouth Rd, Swansea, SA1 3SN (“the Project Authority Lead”)

WHEREAS

- A Carmarthenshire County Council is the Accountable Body for the distribution of funds from the Swansea Bay City Deal.
- B The projects listed at Schedule 1 to this Agreement have gone through the procedure set out in clause 12 of the Joint Committee Agreement and been approved for funding from the Swansea Bay City Deal.
- C The Accountable Body has received and accepted an award of Swansea Bay City Deal funding consisting of funding from the Welsh Government and the UK Government in a letter from the Welsh Government dated 24 October 2019 which imposed terms and conditions on the provision of Swansea Bay City Deal funding (“the Funding Award Letter”). The Funding Award Letter is attached at Schedule 3 to this Agreement. As and when any further funding award letters are issued by the UK or Welsh Government relevant to the Projects listed in Schedule 1 and following approval of the conditions by the Project Authority Lead they will be appended to Schedule 3 and be incorporated into this Agreement.
- D This Agreement sets out the terms on which funding will be paid by the Accountable Body to the Project Authority Lead for payment to a project.

IT IS AGREED AS FOLLOWS

1. Definitions and Interpretation

- 1.1 The following definitions and rules of interpretation apply in this Agreement:

“Accountable Body” means the body appointed under the Joint Committee Agreement as Accountable Body for the Swansea Bay City Deal;

“this Agreement” this agreement entered into by the Accountable Body and the Project Authority Lead for the payment of Project Funding to the Project Authority Lead and the Project Authority Lead’s role in utilising

	Project Funding and/or distributing Project Funding to the Projects;
“Annual Funding Receipt”	the amount of Government Funding allocated to the Swansea Bay City Region for the Swansea Bay City Deal for each year;
“Annual Project Funding Allocation”	the amount of Project Funding allocated to the Project for each year, calculated in accordance with clause 9.3;
“Approved Grant Value”	the total amount of Government Funding allocated to the Project as approved in the Heads of Terms issued by Welsh Government and dated March 2017 and as subsequently varied or amended by Welsh Government;
“Budget”	the budget for the Project set out in Schedule 4 to include the Project Funding and all other sources of funding revenue or income streams and a profile of the Project Expenditure;
“Business Case”	means the business case for the Project as approved by the Joint Committee and Welsh Government and as subsequently updated or amended in accordance with this Agreement extracts of which are set out in Schedule 4;
“Commencement Date”	the date of this Agreement;
“Council”	a local authority which is party to the Joint Committee Agreement;
“DPA”	the Data Protection Act 2018;
“DP Regulator”	any governmental or regulatory body or authority with responsibility for monitoring or enforcing compliance with the Data Protection Laws;

“Data”	any data, document, code, information or Personal Data in connection with this Agreement;
“Data Protection Laws”	any applicable laws and regulations in any relevant jurisdiction relating to privacy or the use or processing of Personal Data relating to natural persons;
“Data Subject”	shall have the meanings set out in the GDPR and the DPA;
“Expenditure”	means all eligible expenditure incurred for agreed Project Purposes and within the expenditure limits approved by Welsh Government;
“Funding Agreement”	an agreement between the Project Authority Lead and a Recipient of Government Funding for a Project based on a template approved by the Joint Committee and to be amended as appropriate and applied to the Projects specified in the agreement;
“Funding Award Letter”	a letter from the Welsh Government dated 24 October 2019 together with any subsequent letters from the UK or Welsh Government which award funding from the Welsh Government and the UK Government relevant to the Projects set out in Schedule 1 and which impose terms and conditions on the provision of Government Funding for the Swansea Bay City Deal and which have been approved by the Project Authority Lead;
“GDPR”	the General Data Protection Regulation;
“Government Authority”	means: (a) any government (de jure or de facto) of the United Kingdom or any political sub-division of the United Kingdom or any local jurisdiction of the United Kingdom; and (b) any governmental authority or statutory legal fiscal monetary or administrative body which operates or has jurisdiction directly or indirectly in the United Kingdom; or

(c) any instrumentality commission court or agency of any of the above however constituted; or (d) any association organisation or institution of which any of the above is a member or to whose jurisdiction any of the above is subject or in whose activities any of the above is a participant;

“Government Funding”

funding to be made available to the Projects from the UK Government and Welsh Government pursuant to the Swansea Bay City Deal Joint Committee Agreement;

“Intellectual Property Rights”

patents, rights to inventions, copyright and related rights, trademarks, trade names and domain names, rights in get-up, rights in goodwill or to sue for passing off, rights in designs, rights in computer software, database rights, rights in confidential information (including Know-how and trade secrets), and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world;

“Joint Committee”

the joint committee established by Carmarthenshire County Council, Neath Port Talbot County Borough Council, Pembrokeshire County Council and the Council of the City and County of Swansea for the Swansea Bay City Region under the provisions of section 101 of the Local Government Act 1972;

“Joint Committee Agreement”

an agreement entered into by Carmarthenshire County Council, Neath Port Talbot County Borough Council, Pembrokeshire County Council and the Council of the City and County of Swansea for the establishment of a joint committee for the Swansea Bay City Region dated 29th August 2018 and as

			varied by a Deed of Variation dated 11 th December 2019;
“Know-How”			information data know-how or experience whether patentable or not and including but not limited to any technical and commercial information relating to research design development manufacture use or sale;
“Legal Charge”			a legal charge and/or restriction given by the Project Authority Lead if requested by the Accountable Body in a form to be agreed between the Parties and in accordance with clause 4.9
“Maximum Project Funding Percentage”			the maximum percentage of expenditure on the Project to be funded by way of Project Funding in accordance with the Financial Profile set out in Schedule 4;
“Notice of Breach”			a notice served by one Party on another Party in accordance with clause 7 requiring the other Party to take action in respect of a breach of this Agreement;
“Notification Events”			any of the events set out in Schedule 2 to this Agreement;
“Party”			means each of the Accountable Body and the Project Authority Lead as the context requires and “Parties” means both of them;
“Portfolio Management Office”			the portfolio management office established by the Councils to manage the Swansea Bay City Deal;
“Practical Completion”			when the Parties agree that the works necessary to deliver the Project have been completed or a defined stage in project delivery has been achieved;
“Project”			a project for which Project Funding has been awarded details of which are set out at Schedule 1 to this Agreement;

“Project Agreed Outputs”	the first level of direct immediate term results associated with a project. These outputs are defined within the Project Business Case and are the defined achievements as a direct result of investment into the Project and are set out in Schedule 6.
“Project Authority Lead”	the Council of the City and County of Swansea a local authority with responsibility for the Government Funding element of funding for the Projects;
“Project Funding”	the sum from the Government Funding to be paid by the Accountable Body to the Project Authority Lead for the Project;
“Project Funding Payment”	a payment of the Project Funding or any of it to the Project Authority Lead by the Accountable Body;
“Project Impacts”	the third level of project results and the long-term consequence of a project. Project Impacts are the macro economic benefits of successful project delivery to the Swansea Bay City Region. These are positive purposes that meet local and national aims and objectives as a result of project completion and are set out in Schedule 8.
“Project Outcomes”	The second level of results associated with a project and the medium-term consequences of the Project. Outcomes relate to the project goal or aim. These are consequential outcomes as a result of the achievement of the Project Agreed Outputs and are set out in Schedule 7.

“Project Purposes”	the purposes set out in the Funding Award Letter;
“Recipient”	a legal entity with which the Project Authority Lead may enter into a Funding Agreement;
“Request for Change to the Project Agreed Outputs”	a notice served by one Party on another Party in accordance with clause 6.3 to request a change to the Project Agreed Outputs;
“State Aid Rules”	the rules set out in Articles 107 to 109 of the Treaty on the Functioning of the European Union (or in those Articles that may succeed Articles 107 to 109) secondary legislation including frameworks guidelines and block exemptions produced by the European Commission regarding the application of Articles 107 to 109 and any rules that come into force in the United Kingdom to replace the rules set out in Articles 107 to 109 of the Treaty on the Functioning of the European Union;
“Swansea Bay City Deal”	a programme supported by the UK Government and the Welsh Government to use technological innovation and commercialisation to deliver sustainable growth and reduce economic dependency for the Swansea Bay City Region;
“Swansea Bay City Region”	the administrative area covered by Carmarthenshire County Council, Neath Port Talbot County Borough Council, Pembrokeshire County Council and the Council of the City and County of Swansea for local authority services;
“Targets”	the targets imposed on the Accountable Body by the Welsh Government in the Funding Award Letter;
“Total Programme Grant Award”	the total amount of Government Funding allocated to the Swansea Bay City Region for the Swansea Bay City Deal as approved in the Heads of Terms issued by Welsh Government and dated March 2017

and as subsequently varied or amended by Welsh Government;

“Welsh Government Officials”

Debra Carter Deputy Director Local Government Strategic Finance and Nick McNeill Head of City Deals or such other officials as the Welsh Government may notify the Accountable Body;

“Working Day”

means a day which is not a Saturday Sunday or public holiday in England and Wales.

- 1.2 The headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.3 Words importing one gender include all other genders and words importing the singular include the plural and vice versa.
- 1.4 A reference in this Agreement to any clause, paragraph or schedule is, except where it is expressly stated to the contrary, a reference to a clause or paragraph of or schedule to this Agreement.
- 1.5 Any reference to this Agreement or to any other document unless otherwise specified shall include any variation, amendment or supplements to such document expressly permitted by this Agreement or otherwise agreed in writing between the relevant parties.
- 1.6 Words preceding “include”, “includes” “including” and “included” shall be construed without limitation by the words which follow those words unless inconsistent with the context and the rule of interpretation known as “eiusdem generis” shall not apply.
- 1.7 The Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement and references to this Agreement includes the Schedules. In the event of any conflict between provisions of this Agreement the clauses in the body of the Agreement shall have precedence over the Schedules.
- 1.8 A reference to a recital or clause or schedule or part of a schedule is unless the context otherwise requires a reference to a recital to or a clause of or a schedule or a part of a schedule to this agreement, and references to this agreement include its schedules, Annexes and recitals and references in a schedule to paragraphs are to paragraphs of that schedule.
- 1.9 References to “the Parties” shall be to the parties to this Agreement.
- 1.10 A “certified copy” of any document shall be construed as a reference to a photostatic copy of such document which has annexed to it or printed on its front page a certificate signed by an officer of the Project Authority Lead or the Accountable Body (as the case may be) confirming that such photostatic copy is a true and up-to-date copy of the original.

- 1.11 Any provision which provides that an action or thing may not be taken or done by one Party without the “consent” or “approval” of the other Party will be deemed to provide also that:
- (a) the Party seeking to take the action or do the thing in question will request the consent or approval of the other Party in writing and provide promptly and in sufficient time for the other Party to consider it, all information reasonably necessary for the other Party to make an informed decision as to whether or not consent or approval should be granted;
 - (b) the Party receiving the request for consent or approval will consider it in good faith; and
 - (c) the consent or approval must be given in writing and the relevant action or thing may not be done unless and until the consent or approval has been granted;
 - (d) a reference to “the Accountable Body” or “the Project Authority Lead” or “the Recipient” or any other person includes its (and any subsequent) successor(s) in title and permitted transferee(s) or permitted assignee(s).
- 1.12 Any reference to a “person” shall be construed as a reference to an individual, firm, company, corporation, government state or agency of a state or any association or partnership (whether or not having a separate legal entity) of two or more of the foregoing.
- 1.13 A reference to any document includes that document as amended, varied, novated or supplemented from time to time.
- 1.14 A reference to law includes without limitation any (1) statute, decree, constitution, regulation, order, judgment or directive of any Government Authority (2) treaty, pact or other agreement to which any Government Authority is a signatory or party and/or (3) judicial or administrative interpretation or application thereof and, in each such case, is a reference to the same as amended, substituted or re-enacted from time to time.

2. Statutory Authority

- 2.1 The award of funding to the Projects under the Swansea Bay City Deal and the payment of Project Funding by the Accountable Body to the Project Authority Lead is made under the authority of the Cabinet Secretary for Finance and Local Government one of the Welsh Ministers acting pursuant to section 31 of the Local Government Act 2003.

3. Accountable Body

- 3.1 The Accountable Body shall claim Government Funding for the Swansea Bay City Deal by any date specified by the Welsh Government or the UK Government.
- 3.2 The Accountable Body shall use the claim proforma provided by the Welsh Government to claim Government Funding for the Swansea Bay City Deal and

shall confirm to the Welsh Government that the Accountable Body has in place appropriate financial risk and control systems.

- 3.3 The Accountable Body shall pay Project Funding from the Government Funding for the Swansea Bay City Deal to the Project Authority Lead to distribute to Projects.
- 3.4 The Accountable Body shall comply with the duties imposed on the Accountable Body by the Joint Committee Agreement so far as those duties are relevant to this Agreement. For the avoidance of doubt this shall include:
 - (a) Acting diligently and in good faith in all its dealings with the other Councils.
 - (b) Acting with reasonable skill and care and in accordance with best practice.
 - (c) Acting in accordance with the principles and strategic aims of the Joint Committee Agreement and any applicable policies agreed by the Joint Committee for the Swansea Bay City Region.
 - (d) Co-operating with any reasonable requests of the Councils that host the scrutiny monitoring officer democratic services and audit functions.
- 3.5 The Accountable Body shall comply in a timely manner with the conditions imposed on the Accountable Body in the Funding Award Letter/s as set out in Schedule 3 to this Agreement.
- 3.6 The Accountable Body shall use reasonable endeavours to comply with any conditions imposed by the UK Government or the Welsh Government for Government Funding from the Swansea Bay City Deal in a timely manner.
- 3.7 The Accountable Body shall comply with the State Aid Rules.

4. Project Authority Lead

- 4.1 The Council of the City and County of Swansea shall be the Project Authority Lead in respect of the Projects and shall be responsible for utilising or distributing the Project Funding from the Swansea Bay City Deal.
- 4.2 The Project Authority Lead shall use reasonable endeavours to ensure that its actions do not place the Accountable Body in breach of the conditions in the Funding Award Letter.
- 4.3 The Project Authority Lead shall use or distribute the Project Funding in accordance with the Business Case and for the Project Purposes .
- 4.4 The Project Authority Lead shall not make nor allow any Recipient to make any change to the Project Agreed Outputs within the Business Case without the prior approval of the Accountable Body who may refer the change to the Joint Committee and/or Welsh Government. The process for seeking a change to the Project Agreed Outputs is outlined in clause 6.3.
- 4.5 The Project Authority Lead shall not make any material change to the Budget for the Project without the prior written agreement of the Accountable Body.

The percentage deviation from the approved Budget which will constitute a material change is set out in Schedule 4.

- 4.6 The Project Authority Lead shall be responsible for delivering or procuring the delivery of the Targets and/or the Project Agreed Outputs in Schedules 5 and 6 in accordance with the Budget as set out in Schedule 4. Any shortfall in the Budget is the responsibility of the Project Authority Lead. The Project Authority Lead agrees that it shall not apply for duplicate funding in respect of any part of the Project that the Project Funding is funding in full.
- 4.7 The Project Authority Lead shall use reasonable endeavours and/or shall procure that any Recipient shall use reasonable endeavours to deliver the Project Outcomes as set out in Schedule 7. Project Outcomes relate to the project goal or aim. These are consequential outcomes as a result of the achievement of the Project Agreed Outputs. The Project Lead Authority is required to report on Project Outcomes with sufficient and timely updates on progress and adjusted outcomes as required by the Accountable Body. Failure to deliver the Project Outcomes will not be a breach of this Agreement providing the Project Authority Lead is able to evidence a demonstrable commitment by itself and/or any Recipient to achieving the Project Outcomes in line with the expectation of Welsh Government as outlined in the written communication attached at Schedule 9.
- 4.8 The Project Authority Lead recognises the importance to the Swansea Bay City Region of the Project Impacts as set out in Schedule 8. These are the third level of project results and is the long-term consequence of a project. Project Impacts are the macro economic benefits of successful project delivery to the Swansea Bay City Region. These are positive purposes that meet local and national aims and objectives a result of project completion. The Project Lead Authority is required to report on Project Impacts as required by the Accountable Body but failure to achieve these Impacts will not constitute a breach of this Agreement.
- 4.9 If required by the terms of the Funding Award Letter or by the Accountable Body the Project Authority Lead shall provide a Legal Charge or restriction over any property involved in the delivery of the Project securing over the property such sum as may have been released out of the Project Funding by the Accountable Body to the Project Authority Lead.
- 4.10 The Project Authority Lead shall:
 - (a) Ensure that the Project Funding is not used for party political purposes, the promotion of particular secular, religious or political views, gambling, pornography, offering sexual services, purchasing capital equipment other than as described in the Project Purposes unless agreed by the Accountable Body, legal fees incurred in relation to entering into this Agreement, any kind of illegal activities or any other kind of activity which in the opinion of the Accountable Body could bring the Accountable Body or the Welsh Government into disrepute.
 - (b) Safeguard as far as possible the Government Funding against fraud and, in particular, fraud on the part of its personnel and notify the Accountable Body immediately if the Project Authority Lead has reason to suspect that any fraud within the Project Authority Lead or any Project

has occurred or is occurring or is likely to occur whether or not it relates to the Government Funding.

- (c) Participate in such fraud prevention initiatives as the Accountable Body may require.
- (d) Comply with all applicable domestic, EU or international laws or regulations or official directives.
- (e) Maintain adequate insurances to cover against the risks which may arise in connection with any property or any activity undertaken in delivery of the Projects.
- (f) Maintain appropriate financial risk and control systems before utilising any part of the Government Funding or before providing funding to a Recipient or procuring any goods or services from third parties.
- (g) Co-operate fully with any employee of the Accountable Body or any consultant appointed by the Accountable Body to monitor use of the Project Funding and the Project Authority Lead's compliance with the conditions imposed by this Agreement.
- (h) Inform the Accountable Body immediately if any declarations made to the Accountable Body are discovered to be materially incorrect at the time given.
- (i) Notify the Accountable Body if a Notification Event has occurred or is likely to occur.
- (j) Provide the Accountable Body with such documents information and reports which the Accountable Body may reasonably require from time to time in order for the Accountable Body to monitor the Project Authority Lead's compliance with the conditions imposed by this Agreement.
- (k) Subject to clause 4.4 maintain and update the business cases for the Projects to reflect key developments and keep the Accountable Body notified of such developments by submitting updates to the Portfolio Management Office
- (l) Notify the Accountable Body in writing if there is an anticipated or actual material change to the financial case or Budget for any Project.
- (m) Meet with any representatives of the Accountable Body as the Accountable Body may from time to time reasonably require.
- (n) Ensure that such person as the Accountable Body may require attends all meetings with the Accountable Body.
- (o) Maintain complete and accurate accounting records in accordance with proper accounting practices identifying all income and expenditure relating to the Projects.
- (p) Without charge permit any officer or officers of the Accountable Body the Welsh Government the UK Government, the Wales Audit Office or

the Council undertaking the audit function for the Swansea Bay City Deal at any reasonable time and on reasonable notice to visit the Project Authority Lead's premises and to inspect any of the Project Authority Lead's activities and/or to examine and take copies of the Project Authority Lead's books of account and such other documents or records however stored as in such officer's reasonable view may relate to the Project Authority Lead's use of the Project Funding.

- (q) Retain this Agreement and all original documents relating to the Project Funding for a period of fifteen (15) years until the Accountable Body informs the Project Authority Lead that it is safe to destroy them.
- (r) Subject to clause 11.2 indemnify the Accountable Body against any liabilities claims proceedings demands losses costs and expenses suffered or incurred by the Accountable Body directly or indirectly arising as a result of or in connection with any failure by the Project Authority Lead to perform fully or in part any obligation the Project Authority Lead may have to a third party unless such failure on the part of the Project Authority Lead has been caused by a breach by the Accountable Body of the terms of this Agreement.
- (s) Comply with any obligations imposed by the Welsh Government to acknowledge the Welsh Government's support for any of the Projects in a form approved by the Welsh Government and in compliance with the Welsh Government's branding guidelines.
- (t) Agree that from the date of this Agreement until five years from the date of the final payment of Project Funding to any of the Projects the Accountable Body may allow the Welsh Government to include details about the Project Authority Lead the Government Funding and the Projects in Welsh Government promotional materials and agree to cooperate with the Accountable Body's reasonable requests to achieve the production of such materials
- (u) Apply a policy of equal opportunities as employers as users of volunteers and as providers of services.
- (v) Where the Projects include or relate to the provision of services in Wales ensure that they are provided in Welsh and English unless it would be unreasonable or disproportionate to do so. Where services are provided in both Welsh and English they must be provided in such a way as to not treat the Welsh language less favourably than English in accordance with the Welsh Language (Wales) Measure 2011.
- (w) Contribute to the achievement of the Welsh Government's well-being objectives contained in the Welsh Government's Programme for Government through the use of the Project Funding.

4.11 The Project Authority Lead shall comply with the State Aid Rules.

5. Funding Agreement

5.1 The Project Authority Lead may enter into a Funding Agreement with the Recipient for each of the Projects. A template form of Funding Agreement

approved by the Joint Committee is available for the Project Authority Lead to use and amend should it wish to do so.

6. Project Agreed Outputs

- 6.1 The Project Authority Lead shall be responsible for achieving the Targets and Project Agreed Outputs as set out in Schedules 5 and 6.
- 6.2 The Project Agreed Outputs for each Project are contained within the Project Business Case. The Accountable Body reserves the right to add to or amend the Targets and Project Agreed Outputs set out in Schedules 5 and 6 without following the process in clause 6.3 in the event that the UK or Welsh Government revise the same.
- 6.3 Any Party to this Agreement may propose a change to the Project Agreed Outputs by serving a Request for Change to the Project Agreed Outputs on the other Party. Such Request for Change to the Project Agreed Outputs on the other Party shall be in writing and shall identify the change proposed. The Accountable Body may submit any Request for Change to the Project Agreed Outputs to the Joint Committee and may request the Joint Committee to seek approval from the Welsh Government. A Request for Change to the Project Agreed Outputs shall not come into effect until it is approved by either the Accountable Body or the Welsh Government.
- 6.4 The Project Authority Lead may impose obligations on a Recipient or any other person relating to the achievement of the Project Agreed Outputs but the Project Authority Lead shall remain responsible for achievement of the Project Agreed Outputs.
- 6.5 The Project Authority Lead shall report on progress with achieving the Project Agreed Outputs when submitting a claim for Project Funding in accordance with clause 9 and in accordance with any monitoring requirements imposed by the Accountable Body.
- 6.6 Failure by the Project Authority Lead to achieve the Project Agreed Outputs shall be treated as a breach by the Project Authority Lead of its obligations under this Agreement and clause 7 shall apply.
- 6.7 The Accountable Body and the Project Authority Lead shall agree when the Project has achieved Practical Completion and the requirement to submit applications for payment in accordance with clause 9 cease. The Project Authority Lead will continue to be subject any monitoring requirements imposed by the Accountable Body until such time as the Project Agreed Outputs are achieved.

7. Breach of this Agreement

- 7.1 Subject to clause 7.3 in the event of failure by the Project Authority Lead to achieve the Project Agreed Outputs or a breach by either Party of any other obligations under this Agreement the Parties shall attempt to resolve the failure by following the following procedure prior to dealing with the matter in accordance with the procedure set out in clause 8:
 - (a) The non-defaulting Party shall serve a Notice of Breach on the defaulting Party. Such Notice of Breach shall identify the breach and

shall require the defaulting Party to take specified rectification action within twenty (20) Working Days of receipt of the Notice of Breach or such longer period as the non-defaulting Party considers reasonable.

- (b) If the defaulting Party fails to take the action specified within the Notice of Breach within twenty (20) Working Days or such other period as is specified the non-defaulting Party shall refer the matter to the Joint Committee to decide whether the breach by the defaulting Party shall be treated as a Notification Event.
 - (c) If the Joint Committee decides that the breach by the defaulting Party shall be treated as a Notification Event clause 8 shall apply.
- 7.2 If either Party reasonably considers that any action or omission by the other Party has caused a potential risk of a Notification Event occurring the Party who reasonably considers that the other Party has caused such potential risk shall have the right to regard the action or omission of the other Party as a breach of obligations under this Agreement and shall have the right to follow the procedure in clause 7.1 as the non-defaulting Party.
- 7.3 The Accountable Body reserves the right at its absolute discretion to treat breach by the Project Authority Lead as a Notification Event without first following the procedure in clause 7.1 and shall be obliged to do so if the Welsh Government exercises its right under the Funding Award Letter to treat the failure as a Notification Event.

8. Notification Events and Their Consequences

- 8.1 The Parties acknowledge the statement made by Welsh Government in a letter dated 14 November 2019 addressed to the Accountable Body that no corrective action would be taken by Welsh Government in relation to a Notification Event without first engaging with the Councils with a view to agreeing a suitable course of action. The letter dated 14 November 2019 and further communication from Welsh Government dated 30 September 2020 and 16 October 2020 is attached at Schedule 9. This clause 8 is designed to ensure that efforts are made to resolve issues and avoid escalation wherever possible.
- 8.2 Each Party must notify the other immediately as soon as it becomes aware that a Notification Event has occurred or is likely to occur. The Parties shall follow the procedure in clause 7 if the Notification Event or potential Notification Event has been caused by a Party's breach of the Agreement, prior to utilising this clause 8.
- 8.3 In the event that the procedure in clause 7 fails to address the Notification Event or potential Notification Event the non defaulting Party or the Party providing notification pursuant to clause 8.2 must confirm whether it considers (i) the Notification Event is not capable of remedy or (ii) the Notification Event or potential Notification Event is capable of being remedied and seeks to discuss the Notification Event with the other Party with a view to agreeing a course of action to be taken to address the Notification Event.
- 8.4 The Accountable Body shall be entitled to take any of the actions set out at clause 8.5 if:

- (a) Despite the Accountable Body's reasonable efforts the Accountable Body has been unable to discuss the Notification Event with the Project Authority Lead. Or
- (b) In respect of a Notification Event caused by the Project Authority Lead the Accountable Body notifies the Project Authority Lead that the Notification Event is not capable of remedy. Or
- (c) In respect of a Notification Event caused by the Project Authority Lead a course of action to address the Notification Event is not agreed between the Accountable Body and the Project Authority Lead. Or
- (d) A course of action to address the Notification Event is agreed between the Accountable Body and the Project Authority Lead but the Project Authority Lead fails to follow that course of action or any conditions attached to it are not met (including without limitation the timescale for such course of action). Or
- (e) The course of action fails to remedy the Notification Event to the satisfaction of the Accountable Body.

8.5 If any of the circumstances set out in clause 8.4 occur the Accountable Body may by notice to the Project Authority Lead:

- (a) Require the Project Authority Lead to repay all or part of the Project Funding to the Accountable Body.
- (b) Suspend or cease all further payments of Project Funding.
- (c) Make all further payments of Project Funding subject to such conditions as the Accountable Body may specify provided that such conditions do not amend the Project Agreed Outputs, Project Outcomes or Project Impacts.
- (d) Deduct all amounts owed to the Accountable Body under the terms of this Agreement from any other funding that the Accountable Body has awarded or may award to the Project Authority Lead. And/Or
- (e) Exercise any other rights against the Project Authority Lead which the Accountable Body may have in respect of the Project Funding.

8.6 In the event that payment of the Project Funding is ceased or to be repaid in accordance with clause 8.5, either party shall be entitled to terminate this Agreement immediately on notice subject to the approval of the Joint Committee, provided where repayment is required, that the Project Authority Lead has repaid in accordance with clause 22. Where payment of Project Funding is suspended, the parties shall agree in good faith whether (i) the circumstances leading to suspension can be resolved, and if so agree a timetable for resolution; or (ii) whether the circumstance leading to suspension cannot be resolved whereupon either party shall be entitled to terminate this Agreement immediately on notice subject to the approval of the Joint Committee.

9. Payment of Project Funding to the Project Authority Lead

- 9.1 The Accountable Body shall pay Project Funding to the Project Authority Lead in accordance with the provisions of the Joint Committee Agreement subject to it being an equitable distribution of the Annual Funding Receipt and in accordance with any terms and conditions issued by the Welsh Government and the UK Government. The payment profile for the Project shall be calculated in accordance with clause 9.3 and as set out in Schedule 4. The process for the payment of Project Funding by the Accountable Body to the Project Authority Lead shall be as set out in this clause 9.
- 9.2 From the Commencement Date until the Parties have agreed in accordance with clause 6.7 that the Project has achieved Practical Completion the Project Authority Lead shall submit a claim for Project Funding to the Accountable Body at a frequency to be determined by the Accountable Body and as set out in Schedule 4 up to a maximum of the Annual Project Funding Allocation as set out in clause 9.3. The claim shall include a progress report on the Project. The progress report shall include an assessment of risks associated with the project and details of progress with achieving the Project Agreed Outputs. After the Parties have agreed in accordance with clause 6.7 that the Project has achieved Practical Completion the Project Authority Lead shall not be required to submit claims for Project Funding. Thereafter the Project Authority Lead shall complete annual monitoring returns in a form to be specified by the Accountable Body prior to the Accountable Body releasing any Project Funding to which the Project Authority Lead is entitled. The annual monitoring forms will include an obligation to report on the progress in achieving the Project Agreed Outputs. The Accountable Body reserves the right to impose additional monitoring requirements at a frequency and for such period as it considers reasonable in all the circumstances.
- 9.3 Subject to clause 9.6 the Accountable Body shall aim to pay the Annual Project Funding Allocation to the Project Authority Lead in accordance with the value of the funding received by the region, proportionate to the Approved Grant Value of the Project. This can be calculated as per the below equation:

$$PFA = \frac{A}{T} \times G$$

PFA = Annual Project Funding Allocation

A = Annual Funding Receipt (to the Swansea Bay City Region)

T = Total Programme Grant Award

G = Approved Grant Value (of the Project).

The above calculation is designed to support the Government Funding profile adopted by Welsh Government at the Commencement of this Agreement. There can be no amendment to the equation set out in this clause without the prior approval of the Joint Committee and in compliance with any terms and conditions issued by the Welsh or UK Governments.

- 9.4 In the event that there is an actual or anticipated material change to the financial case or Budget (as prescribed in Schedule 4) the Project Authority Lead shall immediately notify the Accountable Body who shall refer the matter to the Joint Committee for consideration whether any adjustments to Project Funding or to the Maximum Project Funding Percentage are necessary.
- 9.5 The Accountable Body shall aim to pay Project Funding to the Project Authority Lead no later than 28 days after the Accountable Body receives the Government Funding from the Welsh Government.
- 9.6 The Accountable Body shall not be required to pay Project Funding to the Project Authority Lead if any of the following circumstances apply:
- (a) The Project Authority Lead has not submitted a claim and progress report to the Accountable Body.
 - (b) The Project Authority Lead has not submitted evidence that the claim relates to Expenditure that has been defrayed on the Projects.
 - (c) The Accountable Body does not receive Government Funding.
 - (d) The Projects have not completed the processes set out in clause 12 of the Joint Committee Agreement.
 - (e) The payment of Project Funding would cause the Accountable Body to breach any conditions imposed by the UK Government or the Welsh Government for the provision of funding for the Swansea Bay City Deal.
 - (f) The payment of Project Funding for Expenditure defrayed on any Project would cause the total amount of Project Funding paid to the Project Authority Lead in respect of that Project to exceed the total amount allocated to that Project when its business case was originally approved or as subsequently reapproved by the Welsh and UK governments.

10. Force Majeure

- 10.1 In this clause, "**force majeure**" means an event beyond the control of the Project Authority Lead or the Accountable Body, which makes it impossible or illegal for a Party to perform its obligations under this agreement, including but not limited to:
- (a) Act of God;
 - (b) War, hostilities (whether declared or not), invasion, acts of foreign enemies, mobilisation, requisition or embargo;
 - (c) Rebellion, revolution, insurrection or military or usurped power, or civil war;
 - (d) Contamination by radio-activity from any nuclear fuel, or from any nuclear fuel or waste;
 - (e) Riot, commotion or disorder;

(f) Epidemic or pandemic.

10.2 Neither the Accountable Body nor the Project Authority Lead shall be considered in default or in breach of this Agreement to the extent that performance of their respective obligations under this Agreement is prevented by a force majeure event which arises after the execution of this Agreement.

10.3 Upon the occurrence of an event considered by a Party to constitute force majeure and which may affect performance of that Party's obligations, such Party shall promptly notify the other Party of that fact and the steps being taken by it to minimise or remove the circumstances giving rise to force majeure. Any Party affected by force majeure shall endeavour to continue to perform its obligations as far as is reasonably practicable.

11. Indemnity

11.1 The Project Authority Lead shall on demand indemnify and keep indemnified the Accountable Body against all losses costs expenses actions charges claims damages proceedings and other liabilities sustained or incurred as a result of any breach by the Project Authority Lead of the terms of this Agreement.

11.2 The liability of the Project Authority Lead pursuant to clause 4.10(r) and clause 11.1 and for the avoidance of doubt any breach of clause 4.6 shall be limited to the total amount of Project Funding Payments received by the Project Authority Lead together with any direct losses occasioned by the Accountable Body.

11.3 The Accountable Body shall on demand indemnify and keep indemnified the Project Authority Lead against all losses costs expenses actions charges claims damages proceedings and other liabilities sustained or incurred as a result of any breach by the Accountable Body of the terms of this Agreement save where the Accountable Body is acting upon the instructions of the Joint Committee. The Project Authority Lead shall use all reasonable endeavours to mitigate and evidence any loss incurred.

11.4 The liability of the Accountable Body pursuant to clause 11.3 shall be limited to the total amount of Project Funding Payments paid to the Project Authority Lead. For the avoidance of doubt the liability of the Accountable Body shall not extend to any expectation the Project Authority Lead may have in relation to the award of future Project Funding.

12. Assignment

12.1 This Agreement shall benefit and be binding on the Parties their respective successors and permitted assigns.

12.2 The Project Authority Lead may not without the prior written consent of the Accountable Body assign transfer sub-contract or in any other way make over to any third party the benefit and/or the burden of this Agreement or except as contemplated as part of the Project transfer or pay to any other person any part of the Project Funding.

- 12.3 If the Accountable Body is replaced as Accountable Body in accordance with clause 6 of the Joint Committee Agreement the Accountable Body shall assign the benefit and burden of this Agreement to the replacement Accountable Body

13. Variation

- 13.1 Any variation to this Agreement must be in writing and executed by the Parties in the same manner as this Agreement.

14. Notices

- 14.1 All notices under, or in connection with, this Agreement shall (unless otherwise stated) be given in writing by letter or e-mail and must prominently display the heading "Notice in relation to Swansea Bay City Region City Deal funding". Any such notice is deemed given as follows:

- (a) If given by letter such notice shall be deemed to be delivered on the second Working Day after being posted by first class prepaid post;
- (b) If delivered by hand upon delivery to the address or the next Working Day if after 4pm or on a weekend or public holiday;
- (c) If sent by e-mail attachment upon transmission or the next Working Day if after 4pm or on a weekend or public holiday;

provided that any notice given or delivered or deemed to have been given or delivered on a day which is not a Working Day or after 4 pm on a Working Day shall be deemed instead to have been given or delivered on the next following Working Day.

- 14.2 The address and e-mail address of the Accountable Body and the Project Authority Lead are as follows (or such other address or e-mail address notified to the relevant Party from time to time):

Accountable Body

Carmarthenshire County Council, County Hall, Carmarthen, SA31 1JP

Email Address (Section 151 Officer): cmoore@carmarthenshire.gov.uk

Project Authority Lead

The Council of the City and County of Swansea, Civic Centre, Oystermouth Rd, Swansea, SA1 3SN

Email Address (Section 151 Officer): ben.smith@swansea.gov.uk

15. Confidentiality

- 15.1 Subject to clause 16 (Freedom of Information), each Party shall during the term of this Agreement and thereafter keep secret and confidential all Intellectual Property Rights or Know-How or other business, technical or commercial information disclosed to it as a result of the Agreement and shall not disclose the same to any person save to the extent necessary to perform its obligations

in accordance with the terms of this Agreement or save as expressly authorised in writing by the other Party.

15.2 The obligation of confidentiality contained in this clause shall not apply or shall cease to apply to any Intellectual Property Rights, Know-How or other business, technical or commercial information which:

- (a) At the time of its disclosure by the disclosing Party is already in the public domain or which subsequently enters the public domain other than by breach of the terms of this Agreement by the receiving Party;
- (b) Is already known to the receiving Party as evidenced by written records at the time of its disclosure by the disclosing Party and was not otherwise acquired by the receiving Party from the disclosing Party under any obligations of confidence; or
- (c) Is at any time after the date of this Agreement acquired by the receiving Party from a third party having the right to disclose the same to the receiving Party without breach of the obligations owed by that party to the disclosing Party.

16. Freedom of Information

16.1 The Parties acknowledge that the Accountable Body and the Project Authority Lead are subject to the requirements of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 and each Party shall assist and co-operate with the other Party to enable the other Party to comply with these information disclosure requirements and shall provide all necessary assistance as reasonably requested by the other Party to enable the other Party to respond to a request for information within the time for compliance set out in section 10 of the Freedom of Information Act 2000 or regulation 5 of the Environmental Information Regulations 2004.

17. Data Protection

17.1 Each Party shall comply with the provisions and obligations imposed on it by the Data Protection Laws at all times when processing Personal Data in connection with this Agreement.

17.2 Each Party shall maintain records of all processing operations under its responsibility that contain at least the minimum information required by the Data Protection Laws, and shall make such information available to any DP Regulator on request.

17.3 To the extent any Party processes any Personal Data on behalf of the other Party or another Council that Party shall:

- (a) Process such Personal Data only in accordance with the other Party's or the relevant Council's written instructions from time to time and only for the duration of this Agreement.
- (b) Not process such Personal Data for any purpose other than those set out in this Agreement or otherwise expressly authorised by the other Party or the relevant Council.

- (c) Take reasonable steps to ensure the reliability of all its personnel who have access to such Personal Data, limit such access to its personnel who require access, and remove, when no longer required, such access to the Personal Data, and ensure that any such personnel are committed to binding obligations of confidentiality when processing such Personal Data.
- (d) Implement and maintain technical and organisational measures and procedures to ensure an appropriate level of security for such Personal Data, including protecting such Personal Data against the risks of accidental, unlawful or unauthorised destruction, loss, alteration, disclosure, dissemination or access.
- (e) Not transfer such Personal Data to a country where the General Data Protection Regulation does not apply without the prior written consent of the other Party or the relevant Council.
- (f) Inform the other Party or the relevant Council within twenty four (24) hours if any such Personal Data is (while within the processing Party's possession or control) subject to a personal data breach (as defined in Article 4 of GDPR) or within such other time period as required under other Data Protection Laws, or is lost or destroyed or becomes damaged, corrupted or unusable.
- (g) Only appoint a third party to process such Personal Data with the prior written consent of the other Party or the relevant Council.
- (h) Not use or disclose any Personal Data to any Data Subject or to a third party other than at the written request of the other Party or the relevant Council or as expressly provided for in this Agreement.
- (i) Return or irretrievably delete all Personal Data on termination or expiry of this Agreement and not make any further use of such Personal Data.
- (j) Provide to the other Party or the relevant Council and any DP Regulator all information and assistance necessary or desirable to demonstrate or ensure compliance with the obligations in this clause and the Data Protection Laws.
- (k) Permit the other Party or the relevant Council or its representatives to access any relevant premises, personnel or records of the processing Party on reasonable notice to audit and otherwise verify compliance with this clause.
- (l) Take such steps as are reasonably required to assist the other Party's or the Relevant Council's compliance with its obligations under Articles 30 to 36 (inclusive) of GDPR and other applicable Data Protection Laws.
- (m) Notify the other Party or the relevant Council within two (2) Working Days if it receives a request from a Data Subject to exercise its rights under the Data Protection Laws in relation to that person's Personal Data; and

- (n) Provide the other Party or the relevant Council with its full co-operation and assistance in relation to any request made by a Data Subject to exercise its rights under the Data Protection Laws in relation to that person's Personal Data.
- 17.4 If any Party receives any complaint, notice or communication which relates directly or indirectly to the processing of Personal Data by the other Party or to the other Party's compliance with the Data Protection Laws, it shall as soon as reasonably practicable notify the other Party and it shall provide the other Party with reasonable co-operation and assistance in relation to any such complaint, notice or communication.
- 17.5 If any Party requires the other Party to make any disclosures or provide any information in respect of this Agreement in order to enable the Party who needs such disclosures to meet its obligations under the Data Protection Laws the other Party shall do so.
- 17.6 The provisions of this clause shall apply during the continuance of this Agreement and indefinitely after its expiry or termination.

18. State Aid

- 18.1 If any part of the Project Funding made available under this Agreement is found to be unlawful State aid the Accountable Body shall be entitled to recover directly from the Project Authority Lead any part of that State aid which has been given to the Project Authority Lead together with interest.

19. Duration

- 19.1 This Agreement shall continue in force until all the Project Agreed Outputs have been achieved and all obligations of the Parties under this Agreement have been satisfied in full.
- 19.2 Clauses 11 16 17 18 and 22 shall continue in force after the expiry or termination of this Agreement.

20. Suspension of Payments (where a Notification Event does not apply)

- 20.1 The Accountable Body may suspend payments of Project Funding if the Welsh Government or the UK Government suspend payment of Government Funding to the Accountable Body and if the suspension is not permanent, the Parties shall agree reasonable amendments to the requirement to deliver the Project Agreed Outputs for the duration of the suspension. The Parties shall also be entitled to terminate the agreement by notice of one to the other if both Parties agree that the suspension is either permanent or is continuing or likely to continue for an unsustainable period of time and written consent for such termination has been given by the Welsh Government.

21. Withdrawal of Project Funding(where a Notification Event does not apply)

- 21.1 The Accountable Body may withdraw its agreement to pay the Project Funding to the Project Authority Lead if the Welsh Government or the UK Government withdraw the award of Government Funding and thereafter the Parties shall be entitled to terminate this Agreement by notice of one to the other if written consent for such termination has been given by the Welsh Government. Where

the Project Funding is withdrawn in accordance with this clause 21, the obligations imposed on the Project Authority Lead under this Agreement shall be suspended until such time as Welsh Government has made a decision as to whether to give consent for the Agreement to be terminated.

22. Repayment of Project Funding

- 22.1 Save where the Accountable Body has breached the terms of this Agreement and subject to the indemnity in clause 11.4 the Accountable Body may require the Project Authority Lead to repay all or part of the Project Funding to the Accountable Body if the Accountable Body is required to repay all or part of the Government Funding to the Welsh Government or the UK Government.
- 22.2 If a Notification Event occurs the Accountable Body may require the Project Authority Lead to repay Project Funding to the Accountable Body in accordance with clause 8.
- 22.3 The Accountable Body may deduct amounts owed to it as repayment from any other funding that the Accountable Body may have awarded or may award to the Project Authority Lead.
- 22.4 All repayments of Swansea Bay City Deal funding must be made to the Accountable Body within 28 days of the date of the Accountable Body's demand.
- 22.5 The Project Authority Lead shall unless the Accountable Body agrees otherwise, repay to the Accountable Body any Project Funding Payments made to it as a result of an administrative error whether such error is made by the Accountable Body, the Project Authority Lead or any other person.

23. Waiver

- 23.1 No failure or delay by either Party to exercise any right or remedy under this Agreement shall be construed as a waiver of that or any other right or remedy.

24. Termination

- 24.1 The Parties agree that this Agreement may be terminated upon terms agreed by the Parties.

25. Dispute Resolution

- 25.1 The Parties to this Agreement undertake and agree to pursue a positive approach towards dispute resolution which seeks to identify a solution at the lowest operational level that is appropriate to the subject of the dispute and which avoids legal proceedings and maintains a strong working relationship between the Parties.
- 25.2 Any dispute arising in relation to any aspect of this Agreement shall be resolved in accordance with this clause 25
- 25.3 All disputes, claims or differences between the Parties arising out of or in connection with this Agreement or its subject matter or formation, including any

question regarding its existence, validity or termination, (a "Dispute") shall, at the written request of any Party be referred by each Party to its Head of Paid Service.

- 25.4 If the Heads of Paid Service of the Parties do not agree a resolution of the Dispute within ten Working Days of the date of service of any such request the matter shall be referred to the Joint Committee.
- 25.5 If the Joint Committee is unable to resolve the dispute either Party may require the other Party by notice in writing to attempt to settle the Dispute by mediation in accordance with the Centre for Dispute Resolution (CEDR) Model Mediation Procedure. Within five Working Days of the date of service of such notice the Parties shall each propose a mediator and shall seek to agree as to the selection of a mediator.
- 25.6 If the Parties are unable to agree on a mediator within ten Working Days of date of service of the notice referred to in clause or the mediator agreed upon is unable or unwilling to act and the Parties cannot agree upon a substitute, any Party may apply to CEDR to appoint a mediator as soon as practicable.
- 25.7 The Parties shall within five Working Days of the appointment of the mediator (the "Mediator") meet with him in order to agree a programme for the exchange of any relevant information and the structure to be adopted for the negotiations. If considered appropriate, the Parties may at any stage seek assistance from CEDR to provide guidance on a suitable procedure.
- 25.8 All negotiations connected with the Dispute shall be conducted in strict confidence and without prejudice to the rights of the Parties in any future proceedings.
- 25.9 If the Parties reach agreement on the resolution of the Dispute, such agreement shall be reduced to writing and, once it is signed by the Parties or their duly authorised representatives, shall be and remain binding upon the Parties.
- 25.10 The costs and expenses of the mediation shall be borne equally by the Parties. Each Party shall bear its own costs and expenses of its participation in the mediation.
- 25.11 If mediation fails to secure a resolution within ten Working Days of the Mediator being appointed, the Parties shall attempt to settle the Dispute by arbitration under the Rules of the London Court of International Arbitration (which Rules are deemed to be incorporated by reference into this clause) and otherwise in accordance with clause 25.12.
- 25.12 In the event that an arbitration is commenced pursuant to clause 25.11 the Parties agree that:
 - (a) The tribunal shall consist of one arbitrator who is to be a chartered accountant who is a member of the Consultative Committee of Accountancy Bodies (CCAB) if the dispute relates to a financial matter or a solicitor of at least ten years standing as a qualified solicitor if the dispute relates to any other matter as the Parties may agree in writing;
 - (b) The place of the arbitration shall be Swansea;

- (c) The decision of the arbitrator shall be final and binding on the Parties (save in the case of manifest error).

26. Interest

- 26.1 If the Project Authority Lead fails to pay any sum due to the Accountable Body on the due date, such sum will bear interest both before and after judgment at the rate of 2% per annum above the Bank of England Bank Rate from time to time or such other rate as may be required by State Aid rules until paid in full. The Accountable Body may, but need not, set off sums payable to it to the Project Authority Lead against any unpaid sums.
- 26.2 If the Accountable Body fails to pay any sum due to the Project Authority Lead on the due date, such sum will bear interest both before and after judgment at the rate of 2% per annum above the Bank of England Bank Rate from time to time or such other rate as may be required by State Aid rules until paid in full. The Project Authority Lead may, but need not, set off sums payable to it to the Accountable Body against any unpaid sums.

27. Decisions of the Accountable Body and the Project Authority Lead

- 27.1 Except where any agreement decision or determination to be made by the Accountable Body or the Project Authority Lead under or in connection with this Agreement is expressly qualified such agreement decision or determination by either of the Parties shall be made by the Party in its absolute discretion.

28. Contracts (Rights of Third Parties) Act 1999

- 28.1 This Agreement does not and is not intended to confer any contractual benefit on any person pursuant to the terms of the Contracts (Rights of Third Parties) Act 1999.

29. Entire Agreement

- 29.1 This Agreement constitutes the entire agreement between the Parties and supersedes and extinguishes all previous agreements promises assurances warranties representations and understandings between them whether written or oral relating to its subject matter. Nothing in this Agreement shall exclude liability for fraudulent misrepresentation or any other liability in consequence of any fraudulent act.
- 29.2 In the event of any conflict between provisions of this Agreement and provisions of the Joint Committee Agreement the provisions of this Agreement shall have precedence over the provisions of the Joint Committee Agreement.

30. Severability

- 30.1 If at any time any provision of this Agreement is or becomes illegal invalid or unenforceable in any respect that shall not affect or impair the legality validity or enforceability of any other provision of this Agreement.

31. Execution

- 31.1 This Agreement may be executed and delivered in any number of counterparts but will only be effective when both Parties have executed at least one

counterpart. Each counterpart of this document shall constitute an original of this document but the counterparts together constitute one and the same document and together shall have the same effect as if each Party had signed the same document.

32. Governing Law

- 32.1 This Agreement shall be governed by and construed in accordance with the law of England and Wales.
- 32.2 The Accountable Body and the Project Authority Lead irrevocably agree that any legal action or proceedings arising out of or relating to this Agreement may be brought and enforced in the courts of England and Wales and irrevocably submit to such jurisdiction.

IN WITNESS whereof the Parties have executed this Agreement on the date set out at the start of this Agreement.

EXECUTED for and on behalf of
Carmarthenshire County Council by affixing the common seal of Carmarthenshire
County Council
in the presence of

SIGNATURE

NAME

POSITION

EXECUTED for and on behalf of
The Council of the City and County of Swansea by affixing the common seal of the
Council of the City and County of Swansea
In the presence of

SIGNATURE

NAME

POSITION

Schedule 1 Projects

- 1 The Project Authority Lead is responsible for the utilisation or distribution of funding from the Swansea Bay City Deal to the following projects:
 - 1.1 Swansea waterfront and Digital District

Schedule 2 Notification Events

- 1 Repayment of any part of the Project Funding is required under European Law.
- 2 Repayment of any part of the Project Funding is required by HM Treasury or the Welsh Government.
- 3 The Accountable Body fails to comply with any conditions imposed on the Accountable Body by the UK Government or the Welsh Government in the Funding Award Letter.
- 4 The Project Authority Lead fails to comply with any obligations imposed on the Project Authority Lead by the Accountable Body in this Agreement.
- 5 The Project Funding in full or in part is not being used for the Purposes.
- 6 The Accountable Body fails to achieve the Targets.
- 7 The Project Authority Lead fails to achieve the Project Agreed Outputs.
- 8 There is unsatisfactory progress towards completing the Purposes.
- 9 The Accountable Body or the Project Authority Lead fails to provide information requested by the Welsh Government the European Commission or the European Court of Auditors or any of its auditors agents or representatives about the Purposes.
- 10 The Project Authority Lead fails to provide information requested by the Accountable Body or any of its auditors agents or representatives.
- 11 The Welsh Government has reason to believe that the Accountable Body or any of its employees or suppliers or any other person engaged by the Accountable Body in relation to the Purposes is or has been involved in fraudulent activity whilst the Purposes are or were being carried out.
- 12 The Accountable Body has reason to believe that the Project Authority Lead or any of its employees or suppliers or any other person engaged by the Project Authority Lead in relation to the Projects is or has been involved in fraudulent activity whilst the Projects are or were being carried out.
- 13 The Welsh Government has made an overpayment of Project Funding to the Accountable Body.
- 14 The Accountable Body has made an overpayment of Project Funding to the Project Authority Lead.
- 15 Any declaration made by the Accountable Body to the Welsh Government is discovered to be materially incorrect at the time it was given.
- 16 Any declaration made by the Project Authority Lead to the Accountable Body is discovered to be materially incorrect at the time it was given.
- 17 There has been a modification to the auditor's opinion on the financial statements of the Accountable Body or the Project Authority Lead.

- 18 Any event occurs or circumstances arise which in the opinion of the Welsh Government gives reasonable grounds for believing that the Accountable Body may not or may be unable to perform or comply with any of its obligations under conditions imposed by the UK Government or the Welsh Government in the Funding Award Letter.
- 19 Any event occurs or circumstances arise which in the opinion of the Accountable Body gives reasonable grounds for believing that the Project authority Lead may not or may be unable to perform or comply with any of its obligations under this Agreement.

Schedule 3 Terms and conditions of award of Swansea Bay City Deal funding

- 1 The Accountable Body shall comply with all terms and conditions contained in the Funding Award Letter set out below.

Please see attached:

- Award of Funding Offer Cover Letter - Issued 24th October 2019
- Award of Funding Offer – Issued 24th October 2019
- Award of Funding Letter – Swansea Bay City Region Deal – Issued 16th December 2020

Schedule 4 Financial Profile for the Project

Budget

	Year 0 2017/ 18	Year 1 2018/ 19	Year 2 2019/ 20	Year 3 2020/ 21	Year 4 2021/ 22	Year 5 2022/ 23	Year 6 2023/ 24	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Anticipated Spend Profile:								
Public Sector	11.861	16.812	29.640	23.466	2.923	0	0	84.702
Private Sector	0.238	3.498	13.268	19.839	3.128	0	0	39.971
City Deal *	5.626	9.332	15.715	14.602	4.725	0	0	50.000
Total	17.724	29.642	58.623	57.907	10.776	0	0	174.673

Maximum Funding Percentage (City Deal Grant Award): 29% (£50.000/£174.673*100)

Material change to the Budget = 10% of the total Budget

Payment Profile

Project	Year 1 2018-19	Year 2 2019-20	Year 3 2020-21	Year 4 2021-22	Year 5 2022-23	Year 6 2023-24	Year 7 2024-25	Year 8 2025-26
City and County of Swansea								
Swansea District & Waterfront Digital District	3.73	3.73	3.73	3.73	3.73	3.73	3.73	3.73
Project	Year 9 2026-27	Year 10 2027-28	Year 11 2028-29	Year 12 2029-30	Year 13 2030-31	Year 14 2031-32	Year 15 2032-33	Total
Swansea District & Waterfront Digital District	3.73	3.73	2.70	2.49	2.49	2.49	2.53	50.00

This formula is subject to change in the event that the Government Funding profile changes and has to be approved by the Joint Committee.

Applications for Payment

The frequency of claims for payment to be made by the PAL up to the point when Practical Completion is agreed between the Parties. After the date of PC annual monitoring forms are to be submitted by the PAL to trigger the release of further funding due to the PAL.

Claim Period	Claim Deadline
Quarter 1	31 st July
Quarter 2	31 st October
Quarter 3	31 st January
Quarter 4	15 th April

Schedule 5 Targets

Target (as set out in the Award of Funding - 26th October 2019)
Swansea City and Waterfront Digital District – confirmation in writing that the local authority financial contribution for the Project is committed as set out in the Business Case.
Swansea City and Waterfront Digital District – confirmation in writing that due diligence has been completed to provide assurance that UWTSD is able to make its financial contribution and/or access the necessary levels of borrowing over the 15-year lifespan of the Programme.
Swansea City and Waterfront Digital District – confirmation in writing that due diligence provides assurance that the Project is designed to achieve optimal value for money for the public funds invested.

Schedule 6 Project Agreed Outputs

Project AGREED OUTPUTS											
Benefit No:	Benefit Description	Benefit Target	Targeted End Achievement Date	Year Time Value			Data Sources	Activities Required/Critical Dates	Responsible Officer/Who will deliver it	How will it be evidenced	Reporting
				5yrs	10 yrs	15yrs					
DD IP 1.1	Commercial floorspace created - Box Village	28,000 sq ft subject to final scheme designs	timescales subject to city deal funding approval	28,000 sq ft			Project plans for Box Village	Delivery of the scheme as set out in the business case	UWTSD project delivery team	Copies of plans and designs of the facility	Reporting process will comply with the programme level monitoring and evaluation framework
DD IP 1.2	Commercial floorspace created - Innovation Precinct	64,600 sq ft, subject to final scheme designs	timescales subject to city deal funding approval	64,600 sq ft			Project plans for Innovation Precinct	Delivery of the scheme as set out in the business case	UWTSD project delivery team	Copies of plans and designs of the facility	Reporting process will comply with the programme level monitoring and evaluation framework
DD IP 1.3	Commercial Floorspace created - Digital Village	100,000sq ft, subject to final scheme designs	timescales subject to city deal funding approval	100,000sq ft			Project Plans for Digital Village	Delivery of the scheme as set out in the business case	Swansea Council project delivery team	Copies of plans and designs of the facility	Reporting process will comply with the programme level monitoring and evaluation framework
DD IP 1.4	Events Space & Conference facilities created - Digital Arena	3500 capacity venue	timescales subject to city deal funding approval	3500 capacity venue			Project Plans for Digital Arena	Delivery of the scheme as set out in the business case	Swansea Council project delivery team	Copies of plans and designs of the facility	Reporting process will comply with the programme level monitoring and evaluation framework

Schedule 7 Project Outcomes

Project OUTCOMES											
Benefit No:	Benefit Description	Benefit Target	Targeted End Achievement Date	Year Time Value			Data Sources	Activities Required/Critical Dates	Responsible Officer/Who will	How will it be evidenced	Reporting
				5yrs	10 yrs	15yrs					
DD OP1	Net additional employment in SBCR	1,324 over 15 years	originally identified as end Q1 2032, but timescales dependent on city deal sign off and completion dates of schemes	687, but timescale dependent on city deal sign off and completion dates of schemes	1,249, but timescale dependent on city deal sign off and completion dates of schemes	1,324, but timescale dependent on city deal sign off and completion dates of schemes	Independent economic impact study	Completion of facilities, full utilisation of all facilities within 3 years of opening (economic impact study assumes full occupation by Year 3)	Box Village & Innovation Precinct - UWTSD, Digital Village - Swansea Council (and any management company appointed to run DV), Arena - ATG, Hotel - hotel operator. EIA commissioned by Regional office	These are the jobs figures used in the CBA. They are taken from the Amion Consulting EIA and include broader job creation (e.g. linked to visitor spend of Arena visitors) and multiplier effects. A programme level Economic Impact Assessment will need to be commissioned at 5 10 and 15 years to calculate the net additional employment	Independent economic impact reports at the programme level
DD OP2	Net additional Gross Value Added (GVA) in SBCR (cumulative)	£669.870m over 15 years	originally identified as end Q1 2032, but timescales dependent on city deal sign off and completion dates of schemes	£50.074m, but timescale dependent on city deal sign off and completion dates of schemes	£329.291m, but timescale dependent on city deal sign off and completion dates of schemes	£669.870m, but timescale dependent on city deal sign off and completion dates of schemes	Independent economic impact study	Completion of facilities - timescales outlined above, full utilisation of all facilities within 3 years of opening (economic impact study assumes full occupation by Year 3)	Box Village & Innovation Precinct - UWTSD, Digital Village - Swansea Council (and any management company appointed to run DV), Arena - ATG, Hotel - hotel operator. EIA commissioned by Regional office	These figures are taken from the Amion Consulting EIA. A programme level Economic Impact Assessment will need to be commissioned at 5 10 and 15 years to calculate the net additional GVA	Independent economic impact reports at the programme level
DD OP 3.1	Net Income - Box Village & Innovation Precinct (estimated, and subject to change depending on market conditions)	£2.755m, estimated and subject to change depending on market conditions	originally identified as end Q1 2032, but timescales dependent on city deal sign off and completion dates of schemes	£147,000, estimated and subject to change depending on market conditions	£1.395m, estimated and subject to change depending on market conditions	£2.755m, estimated and subject to change depending on market conditions	Tenant leases	tenants secured, leases signed	UWTSD project delivery team	lease agreements	Reporting process will comply with the programme level monitoring and evaluation framework
DD OP 3.2	Net Income - Digital Arena (estimated, and subject to change depending on market conditions)	£94,924, estimated and subject to change depending on market conditions	originally identified as end Q1 2032, but timescales dependent on city deal sign off and completion dates of schemes	-£11,750, estimated and subject to change depending on market conditions	-£9,796, estimated and subject to change depending on market conditions	£94,924, estimated and subject to change depending on market conditions	ATG lease	Lease signed with ATG - Jan 2018	Swansea Council project delivery team, ATG	lease agreements	Reporting process will comply with the programme level monitoring and evaluation framework
DD OP 3.3	Net Income - Digital Village (estimated, and subject to change dependent on market conditions/tenant mix)	£9.276m, estimated and subject to change depending on market conditions	originally identified as end Q1 2032, but timescales dependent on city deal sign off and completion dates of schemes	£0.441m, estimated and subject to change depending on future market conditions	£4.859m, estimated, and subject to change depending on market conditions	£9.276m, estimated and subject to change depending on market conditions	Tenant leases	tenants secured, leases signed	Swansea Council project delivery team	lease agreements	Reporting process will comply with the programme level monitoring and evaluation framework
DD OP 4	Number of graduate start ups occupying Box Village	45	end Q1 2032	15	30	45	Tenant leases	Support and mentoring of business occupiers	UWTSD Delivery teams	UWTSD identifying businesses in occupation	Reporting process will comply with the programme level monitoring and evaluation framework
DD OP 5	Catalyst for private sector investment (Swansea Central Phase 2), estimated	£50m	Q4 2023	-	-	-	Financial reports for Swansea Central Phase 2	Completion of Swansea Central Phase 2 scheme	Swansea Council project delivery team	project financial reports	Reporting process will comply with the programme level monitoring and evaluation framework
DD IP 2	Private Sector Funding Leveraged for the SBCD project	£ 39.971m, subject to final scheme designs	timescales subject to city deal funding approval	£ 39.971m			match funding from UWTSD private sector partner into Box Village & Innovation Precinct (£8.9M), ATG Contribution to Arena (£1m), Private hotel development (£25.071m), Digital Village fit out spend by larger occupiers (£5m)	Delivery of the three schemes as set out in the full business case	Swansea Council & UWTSD project delivery teams	Project Financial reports	Reporting process will comply with the programme level monitoring and evaluation framework
DD IP3	Training weeks generated (estimated, based on current construction values, timescales) and anticipated specialist work)	3266 training weeks	timescales subject to city deal funding approval	3266 training weeks			Social benefit clauses in construction contracts for all three schemes	Inclusion of BBM social benefit clauses in all construction contracts, calculation based on construction value, timescale and anticipated specialist work	Swansea Council & UWTSD project delivery teams (including Beyond Bricks & Mortar Team), primary contractors and sub-contractors	Beyond Bricks & Mortar monitoring reports	Reporting process will comply with the programme level monitoring and evaluation framework

Schedule 8 Project Impacts

Project IMPACTS											
Benefit No:	Benefit Description	Benefit Target	Targeted End Achievement	Year Time Value			Data Sources	Activities Required/Critical Dates	Responsible Officer/Who will	How will it be evidenced	Reporting
				5yrs	10 yrs	15yrs					
DD OP 6	More supportive, conducive environment where start-ups & technology businesses can thrive (BV & IP and Digital Village)	This benefit feeds in to targets for DD OP1 and DD OP 2					Project plans for the Box Village, Innovation Precinct and Digital Village	Delivery of the BV & IP and Digital Village as set out in the full business case	UWTSD and Swansea Council project delivery teams	Will be evidenced through the design of the Box Village & Innovation Precinct and Digital Village buildings, which provide fit for purpose space for start ups and technology businesses	Reporting process will comply with the programme level monitoring and evaluation framework
DD OP 7	Enables small businesses to develop efficiencies and specialisms, become more competitive and strengthen their market position (BV & IP)	This benefit feeds in to targets for DD OP1 and DD OP 2					Project plans for the Box Village and Innovation Precinct	Delivery of the BV & IP and Digital Village as set out in the full business case	UWTSD project delivery team	Will be evidenced through the design of the Box Village & Innovation Precinct, which provide fit for purpose space for start ups / small businesses	Reporting process will comply with the programme level monitoring and evaluation framework
DD OP 8	Co-location of high value businesses and highly skilled people which facilitates innovation, commercialisation of activities and knowledge exchange (Digital Village)	This benefit feeds in to targets for DD OP1 and DD OP 2					Project plans for the Digital Village	Delivery of the Digital Village as set out in the full business case	Swansea Council project delivery team	Will be evidenced through the design of the Digital Village building, which facilitates open innovation and knowledge exchange	Reporting process will comply with the programme level monitoring and evaluation framework
DD OP 9	Raise the profile of Swansea City Centre as a business location							Delivery of the Digital Square & Arena and Digital Village as set out in the full business case	Swansea Council project delivery team	Through the completion of the Digital Square & Arena and Digital Village schemes	Reporting process will comply with the programme level monitoring and evaluation framework
DD OP 10	More attractive environment & leisure offer to attract and retain skilled employees							Delivery of the Digital Square & Arena as set out in the full business case	Swansea Council project delivery team	Completion of the Digital Square & Arena	Reporting process will comply with the programme level monitoring and evaluation framework
DD OP 11	Improvements to leisure offer in city centre (Digital Square & Arena)							Delivery of the Digital Square & Arena as set out in the full business case	Swansea Council project delivery team	Completion of the Digital Square & Arena	Reporting process will comply with the programme level monitoring and evaluation framework

Schedule 9 Communication from Welsh Government

Email Author: Debra Carter, Deputy Director, Local Government Strategic Finance

Email Dated: 30th September 2020

The conditions in the initial Award of Funding Letter (of 24 October 2019) reflect the fact that the Letter was issued in exceptional circumstances, based on the business cases for the Yr Egin and Swansea Waterfront projects rather than on the basis of an approved business case for the programme as a whole, as was the original intention.

The intention for the Deal (in common with other deals) was that the funding contribution from the UK Government and the Welsh Government would be allocated to the Region for the programme as a whole rather than to individual projects, with the Joint Committee managing the allocation of funds between projects, overseeing delivery and reporting to government on the progress for the programme as a whole. This is why the targets in the Letter included the establishment of programme management arrangements and the provision of programme documentation as recommended in the Independent Review – the aim being to restore the Deal to a programme based approach. In the absence of the programme management arrangements and documentation, the targets in the initial Letter needed to go into more detail about the requirements for the two approved projects than would otherwise have been the case.

Subject to the conditions in the initial Letter being met, the intention for future award of funding letters is to move them onto a programme based approach as originally planned, with the targets referring to programme level monitoring and deliverables rather than individual projects. These targets will draw on recommendations in the Accounting Officer Reviews where necessary. We would expect the programme level monitoring to include progress on the preparation, approval and delivery of project business cases but it is not our intention to include details of deliverables within projects, or the contributions of individual projects to the programme deliverables, in the targets within future award of funding letters. This assumes the programme arrangements being put in place continue to operate as planned.

We also discussed the approach to the assessment of delivery and the measurement of targets more generally. We have recognised in previous discussions that the programme and project business cases will be live documents which will need to be updated from time to time to reflect changing circumstances. Within the Welsh Government, we also recognise that some programme targets will be hard, measurable deliverables or benefits which can be attributed to specific actions and investments through the Deal (eg. the completion of physical assets), while others (such as growth in GVA or jobs created) will be more difficult to measure and to attribute specifically to the Deal actions. Some deliverables will also be more susceptible to external factors which are beyond the control of the Region over the lifetime of the Deal. Our focus for funding purposes would be on the delivery of the programme level outcomes and benefits rather than the individual contributions from the constituent projects, and we would expect to take a realistic approach to the need for changes, engaging in discussions with the Region about the need for targets to be updated where necessary.

Email Author: Debra Carter, Deputy Director, Local Government Strategic Finance

Email Dated: 16th October 2020

I think your proposed approach sets things out clearly and looks proportionate and practicable. I think the key thing, in addition to providing that clarity, is that it allows both the Project Authority and Accountable Body to agree variations if necessary.

DATED

20[.].]

- (1) PROJECT AUTHORITY LEAD**
- (2) PROJECT FUNDING RECIPIENT**

**Agreement in relation to the application of funding from the Swansea Bay
City Deal for the [Title of project] Project**

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	Schedule 8 Project Impacts	
	Schedule 9 Welsh Government Communication	

[GUIDANCE NOTE: REMOVE THIS BEFORE COMPLETING THE AGREEMENT: THIS IS A TEMPLATE FOR USE BY A PROJECT AUTHORITY LEAD WHERE A BUSINESS CASE HAS BEEN APPROVED AND THERE IS A NEED TO DISTRIBUTE SWANSEA BAY CITY DEAL FUNDING TO ANOTHER PARTY (PRIVATE OR PUBLIC SECTOR). THIS TEMPLATE CAN ALSO BE USED WITH APPROPRIATE MODIFICATIONS BY A DELIVERY LEAD FOR A PROJECT TO DISTRIBUTE GRANT FUNDING TO ANOTHER PARTY TO DELIVER SPECIFIED OUTPUTS FOR A PROJECT. THE PURPOSE OF THIS AGREEMENT IS TO PASS ON THE OBLIGATIONS CONTAINED WITHIN THE FUNDING CONDITIONS FROM THE PROJECT AUTHORITY LEAD TO THE RECIPIENT. THE RECIPIENT IS REQUIRED TO DELIVER THE PROJECT AGREED OUTPUTS IN ACCORDANCE WITH THE BUDGET (TO INCLUDE THE FUNDING, ANY CO-FUNDING, BORROWING AND ANY OTHER CAPITAL OR REVENUE CONTRIBUTIONS TOGETHER WITH DETAIL OF THE EXPENDITURE PROFILE). THE PROJECT FUNDING RECIPIENT WILL THEREFORE BEAR THE RISK OF THE CO-FUNDER FAILING TO PROVIDE THE EXPECTED FUNDING. IF THE PROJECT FUNDING RECIPIENT IS NOT WILLING TO BEAR THIS RISK, THIS TEMPLATE SHOULD NOT BE USED. IN THAT CIRCUMSTANCE AN AGREEMENT BETWEEN THE PROJECT AUTHORITY LEAD AND/OR THE FUNDING RECIPIENT AND THE CO-FUNDER WILL BE NEEDED.]

THIS AGREEMENT IS MADE ON 20[]

BETWEEN:

- (1) [Name of Project Authority Lead] of [Address of Project Authority Lead] (“the Project Authority Lead”); and
- (2) [Name of recipient of project funding] of [Address of recipient of project funding] (“the Recipient”)

WHEREAS

- A The Project Authority Lead has responsibility for distributing funds from the Swansea Bay City Deal in the [Insert name of area for which the Project Authority Lead is responsible] in accordance with an agreement between Carmarthenshire County Council as Accountable Body for the Swansea Bay City Deal and the Project Authority Lead.
- B A business case for the Project has been approved in accordance with clause 12 of the Joint Committee Agreement.
- C The Recipient has applied to the Project Authority Lead for the Project Funding to be paid to it for the purpose of assisting with the cost of the Project.
- D The Project Authority Lead has approved the Recipient’s application for the Project Funding and has agreed subject to the terms and conditions of this Agreement to pay the Project Funding to the Recipient.
- E This Agreement sets out the terms and conditions on which the Project Authority Lead pays Project Funding to the Recipient.

IT IS AGREED AS FOLLOWS

1. Definitions and Interpretation

1.1 The following definitions and rules of interpretation apply in this Agreement:

“Accountable Body”	means the body appointed under the Joint Committee Agreement as Accountable Body for the Swansea Bay City Deal;
“this Agreement”	this agreement entered into by the Project Authority Lead and the Recipient for the payment of Project Funding to the Recipient;
“Agreement between the Accountable Body and Project Authority Lead”	an agreement entered into by the Accountable Body and the Project Authority Lead setting out the obligations of the Accountable Body and the Project Authority Lead relating to the distribution of Government Funding for the Projects;
“Borrowing”	means any indebtedness in respect of (a) any obligation under any hire purchase credit or conditional sale agreement or under any loan debt or other financial agreement or (b) any guarantee indemnity or similar assurance against financial loss of any person in respect of any obligation described in (a) and as included within the Budget;
“Budget”	the budget for the Project set out at Schedule 2 as may be revised from time to time by agreement with the Project Authority Lead to include Project Funding, Co-Funding, Borrowing, Other Receipts and Expenditure profile;
“Business Case”	means the business case for the Project as approved by the Joint Committee and Welsh Government extracts of which are set out in Schedule 2 and as subsequently updated and amended in accordance with this Agreement;

“Co-funding”	means the funding identified as Co-funding at Schedule 2;
“Commencement Date”	the date of this Agreement;
“Completion”	has the meaning given to that term at Schedule 1;
“Council”	a local authority which is party to the Joint Committee Agreement;
“DPA”	the Data Protection Act 2018;
“DP Regulator”	any governmental or regulatory body or authority with responsibility for monitoring or enforcing compliance with the Data Protection Laws;
“Data”	any data, document, code, information Personal Data in connection with this Agreement;
“Data Protection Laws”	any applicable laws and regulations in any relevant jurisdiction relating to privacy or the use or processing of Personal Data relating to natural persons;
“Data Subject”	shall have the meanings set out in the GDPR and the DPA;
“Expenditure”	means all eligible expenditure incurred for agreed Project Purposes as set out in Schedule 2;
“Funding Agreement”	an agreement between the Recipient and another recipient of Government Funding for the Project;
“GDPR”	the General Data Protection Regulation;
“Government Authority”	Means: (a) any government (de jure or de facto) of the United Kingdom or any political sub-division of the United Kingdom or any local jurisdiction of the United Kingdom; and (b) any governmental authority or statutory legal fiscal monetary or administrative body which operates or has jurisdiction directly or indirectly in the United Kingdom; or (c) any instrumentality commission

	<p>court or agency of any of the above however constituted; or (d) any association organisation or institution of which any of the above is a member or to whose jurisdiction any of the above is subject or in whose activities any of the above is a participant;</p>
“Government Funding”	<p>funding to be made available to the Project from the UK Government and Welsh Government pursuant to the Swansea Bay City Deal Joint Committee Agreement;</p>
“Intellectual Property Rights”	<p>patents, rights to inventions, copyright and related rights, trademarks, trade names and domain names, rights in get-up, rights in goodwill or to sue for passing off, rights in designs, rights in computer software, database rights, rights in confidential information (including Know-how and trade secrets), and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which may now or in the future subsist in any part of the world;</p>
“Joint Committee”	<p>the joint committee established by Carmarthenshire County Council, Neath Port Talbot County Borough Council, Pembrokeshire County Council and the Council of the City and County of Swansea for the Swansea Bay City Region under the provisions of section 101 of the Local Government Act 1972;</p>
“Joint Committee Agreement”	<p>an agreement entered into by Carmarthenshire County Council, Neath Port Talbot County Borough Council, Pembrokeshire County Council and the Council of the City and County of Swansea for the establishment of a joint committee for the Swansea Bay City Region dated 28th August 2018 and as</p>

	varied by a Deed of Variation dated 11 th December 2019;
“Key Personnel”	means the persons identified as such in Schedule 1 together with such other persons notified by the Recipient to the Project Authority Lead;
“Know-How”	Information data know-how or experience whether patentable or not and including but not limited to any technical and commercial information relating to research design development manufacture use or sale;
“Legal Charge”	a legal charge and/or restriction given by the Recipient to the Project Authority Lead over a property in accordance with clause 4.11 and in the form specified in Schedule 5
“Maximum Amount of Project Funding”	means the aggregate of the sums to be paid to the Recipient by way of Project Funding Payments under the terms of this Agreement;
“Maximum Project Funding Percentage”	means the maximum percentage of expenditure on the Project to be funded by way of the Project Funding in accordance with the financial profile set out in Schedule 2
“Notice of Breach”	a notice served by one Party on another Party in accordance with clause 7 requiring the other Party to take action in respect of a breach of this Agreement;
“Notification Event”	any of the events or occurrences described in Schedule 3;
“Other Receipts”	means all income grants donations trading revenue Borrowings or other funding derived or expected to be derived by the Recipient from the Project or otherwise received or expected to be received by the Recipient in connection with the project other than the Project Funding the Co-Funding and any

		permitted Borrowings and as included in the Budget;
“Party”		means each of the Project Authority Lead and the Recipient as the context requires and “Parties” means both of them;
“Portfolio Management Office”		the portfolio management office established by the Councils to manage the Swansea Bay City Deal;
“Project”		the project for which Project Funding has been awarded details of which are set out at Schedule 1 to this Agreement;
“Project Agreed Outputs”		the first level of direct immediate term results associated with a project. These outputs are defined within the Project Business Case and are the defined achievements as a direct result of investment into the Project and are set out in Schedule 6;
“Project Authority Lead”		[Name of Project Authority Lead] a local authority with responsibility for the Government Funding element of funding for the Project;
“Project Authority Lead’s Advisers”		such persons firms or entities as the Project Authority Lead shall from time to time appoint to advise it in relation to the Project or to represent the Project Authority Lead for the purpose of this Agreement and as are notified to the Recipient by the Project Authority Lead from time to time;
“Project Details”		the plans drawings specifications calculations Project Agreed Outputs and other data relating to the Project specified in Schedule 1 or as agreed from time to time by the Parties in writing;
“Project Documents”		this Agreement and all of the documents listed in Schedule 1 and any other document which the Recipient has or is required to enter into in connection with the Project;

“Project Funding”	the sum to be paid by the Project Authority Lead to the Recipient in accordance with this Agreement;
“Project Funding Payment”	means a payment of the Project Funding or any of it to the Recipient by the Project Authority Lead in accordance with clause 12
“Project Impacts”	the third level of project results and the long-term consequence of a project. Project Impacts are the macro economic benefits of successful project delivery to the Swansea Bay City Region. These are positive purposes that meet local and national aims and objectives as a result of project completion and are set out in Schedule 8;
“Project Outcomes”	The second level of results associated with a project and the medium-term consequences of the Project. Outcomes relate to the project goal or aim. These are consequential outcomes as a result of the achievement of the Project Agreed Outputs and are set out in Schedule 7;
“Project Purpose”	the purpose of the project described at Schedule 1 including the Project Agreed Outputs for the Project;
“Projected Completion Date”	means the anticipated date for Completion specified in Schedule 1 or as agreed from time to time by the Parties in writing;
“Recipient”	[Name of recipient of Project Funding] the legal entity to receive the Project Funding under the terms of this Agreement;
“Request for Change to the Project Agreed Outputs”	a notice served by one Party on another Party in accordance with clause 6.3 to request a change to the Project Agreed Outputs;
“State Aid Rules	the rules set out in Articles 107 to 109 of the Treaty on the Functioning of the European Union (or in those Articles that may succeed Articles 107 to 109) secondary legislation including frameworks guidelines and

block exemptions produced by the European Commission regarding the application of Articles 107 to 109 and any rules that come into force in the United Kingdom to replace the rules set out in Articles 107 to 109 of the Treaty on the Functioning of the European Union;

“Successful Completion”

the time when the Project Agreed Outputs have been achieved and the Project meets the Project Purpose in full and has been completed;

“Swansea Bay City Deal”

a programme supported by the UK Government and the Welsh Government to use technological innovation and commercialisation to deliver sustainable growth and reduce economic dependency for the Swansea Bay City Region;

“Swansea Bay City Region”

the administrative area covered by Carmarthenshire County Council, Neath Port Talbot County Borough Council, Pembrokeshire County Council and City and County of Swansea Council for local authority services;

“Welsh Government Officials”

Debra Carter Deputy Director Local Government Strategic Finance and Nick McNeill Head of City Deals or such other officials as the Welsh Government may notify the Accountable Body;

“Working Day”

means a day which is not a Saturday Sunday or public holiday in England and Wales.

- 1.2 The headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.3 Words importing one gender include all other genders and words importing the singular include the plural and vice versa.
- 1.4 A reference in this Agreement to any clause, paragraph or schedule is, except where it is expressly stated to the contrary, a reference to a clause or paragraph of or schedule to this Agreement.
- 1.5 Any reference to this Agreement or to any other document unless otherwise specified shall include any variation, amendment or supplements to such document expressly permitted by this Agreement or otherwise agreed in writing between the relevant parties.

- 1.6 Words preceding “include”, “includes”, “including” and “included” shall be construed without limitation by the words which follow those words unless inconsistent with the context and the rule of interpretation known as “eiusdem generis” shall not apply.
- 1.7 The Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement and references to this Agreement includes the Schedules. In the event of any conflict between provisions of this Agreement the clauses in the body of the Agreement shall have precedence over the Schedules.
- 1.8 A reference to a recital or clause or schedule or part of a schedule is, unless the context otherwise requires, a reference to a recital to or a clause of or a schedule or a part of a schedule to this agreement, and references to this agreement include its schedules, and recitals and references in a schedule to paragraphs are to paragraphs of that schedule.
- 1.9 References to “the parties” shall be to the parties to this Agreement.
- 1.10 A “certified copy” of any document shall be construed as a reference to a photostatic copy of such document which has annexed to it or printed on its front page a certificate signed by an officer of the Project Authority Lead or the Recipient (as the case may be) confirming that such photostatic copy is a true and up-to-date copy of the original.
- 1.11 Any provision which provides that an action or thing may not be taken or done by one Party without the “consent” or “approval” of the other Party will be deemed to provide also that:
- (a) The Party seeking to take the action or do the thing in question will request the consent or approval of the other Party in writing and provide promptly and in sufficient time for the other Party to consider it, all information reasonably necessary for the other Party to make an informed decision as to whether or not consent or approval should be granted;
 - (b) The Party receiving the request for consent or approval will consider it in good faith; and
 - (c) The consent or approval must be given in writing and the relevant action or thing may not be done unless and until the consent or approval has been granted;
 - (d) A reference to “the Project Authority Lead” or the “Recipient” or any other person includes its (and any subsequent) successor(s) in title and permitted transferee(s) or permitted assignee(s).
- 1.12 Any reference to a “person” shall be construed as a reference to an individual, firm, company, corporation, government state or agency of a state or any association or partnership (whether or not having a separate legal entity) of two or more of the foregoing.
- 1.13 A reference to any document includes that document as amended, varied, novated or supplemented from time to time.

- 1.14 A reference to law includes without limitation any (1) statute, decree, constitution, regulation, order, judgment or directive of any Government Authority (2) treaty, pact or other agreement to which any Government Authority is a signatory or party and/or (3) judicial or administrative interpretation or application thereof and, in each such case, is a reference to the same as amended, substituted or re-enacted from time to time.

2. Statutory Authority

- 2.1 The award of funding to the Project under the Swansea Bay City Deal and the payment of Project Funding by the Project Authority Lead to the Recipient is made under the authority of the Cabinet Secretary for Finance and Local Government one of the Welsh Ministers acting pursuant to section 31 of the Local Government Act 2003.

3. Project Authority Lead

- 3.1 Subject to the requirements of clause 12 the Project Authority Lead shall pay Project Funding to the Recipient.
- 3.2 The Project Authority Lead shall comply with the conditions imposed on the Project Authority Lead by the Agreement between the Accountable Body and the Project Authority Lead.
- 3.3 The Project Authority Lead shall comply with the State Aid Rules.

4. The Recipient

- 4.1 The Recipient shall use the Project Funding for the Project Purposes set out in Schedule 1 to this Agreement.
- 4.2 The Recipient shall achieve the Project Agreed Outputs set out in Schedule 6 to this Agreement.
- 4.3 The Recipient shall use the Project Funding in accordance with the Business Case which was produced and approved as part of the process of approving the Project for funding in accordance with clause 12 of the Joint Committee Agreement and as subsequently amended and reapproved in accordance with the terms of this Agreement.
- 4.4 The Recipient shall not make any change to the Project Agreed Outputs within the Business Case without the approval of the Accountable Body who may refer the change to the Joint Committee and/or Welsh Government. The process for seeking a change to the Project Agreed Outputs is outlined in clause 6.3.
- 4.5 The Recipient shall not make any material change to the Budget of the Project without the prior written agreement of the Project Authority Lead. The percentage deviation from the approved Budget which will constitute a material change is set out in Schedule 2.
- 4.6 The Recipient shall be responsible for delivering the Project Agreed Outputs in accordance with the agreed pre-determined Budget. The Recipient is responsible for ensuring that any Co-Funding, Borrowing or Other Receipts are made available for use in delivering the Project as set out in Schedule 2. Any shortfall in the Budget is the responsibility of the Recipient. Any actual or

anticipated material change to the Budget including any monies being made available to the Recipient in excess of the Budget must be notified to the Project Authority Lead in accordance with clauses 12.4 and 19.4.

- 4.7 The Recipient shall use reasonable endeavours to deliver the Project Outcomes as set out in Schedule 7. Project Outcomes relate to the project goal or aim. These are consequential outcomes as a result of the achievement of the Project Agreed Outputs. The Recipient is required to report on Project Outcomes with sufficient and timely updates on progress and adjusted outcomes as required by the Project Authority Lead. Failure to deliver the Project Outcomes will not be a breach of this Agreement providing the Recipient is able to evidence a demonstrable commitment to achieving the Project Outcomes in line with the expectation of Welsh Government as outlined in the written communication attached at Schedule 9.
- 4.8 The Recipient recognises the importance to the Swansea Bay City Region of the Project Impacts as set out in Schedule 8. These are the third level of project results and is the long-term consequence of a project. Project Impacts are the macro economic benefits of successful project delivery to the Swansea Bay City Region. These are positive purposes that meet local and national aims and objectives a result of project completion. The Recipient is required to report on Project Impacts as required by the Project Authority Lead but failure to achieve these Impacts will not constitute a breach of this Agreement.
- 4.9 The Recipient shall comply with the State Aid Rules.
- 4.10 Where the Recipient intends to apply to a third party for other funding for the Project it shall notify the Project Authority Lead in advance of its intention to do so. Where such funding is obtained the Recipient shall provide the Project Authority Lead with details of the amount and purpose of that funding. The Recipient agrees that it shall not apply for duplicate funding in respect of any part of the Project that the Project Funding is funding in full.
- 4.11 The Recipient shall provide the Project Authority Lead with a Legal Charge and/or restriction over any property involved in the delivery of the Project securing over the property such sum as may have been released out of the Project Funding by the Project Authority Lead to the Recipient.
- 4.12 The Recipient shall use reasonable endeavours to ensure that its actions do not place the Project Authority Lead in breach of the Agreement between the Accountable Body and Project Authority Lead.
- 4.13 The Recipient shall:
 - (a) Ensure that the Project Funding is not used for party political purposes, the promotion of particular secular, religious or political views, gambling, pornography, offering sexual services, purchasing capital equipment other than as described in the Project Purposes unless agreed by the Project Authority Lead, legal fees incurred in relation to entering into this Agreement, any kind of illegal activities or any other kind of activity which in the opinion of the Project Authority Lead could bring the Project Authority Lead, the Accountable Body or the Welsh Government into disrepute.

- (b) Safeguard as far as possible the Project Funding against fraud and, in particular, fraud on the part of its personnel and notify the Project Authority Lead immediately if the Recipient has reason to suspect that any fraud within the Recipient or the Project has occurred or is occurring or is likely to occur whether or not it relates to the Project Funding.
- (c) Participate in such fraud prevention initiatives as the Project Authority Lead requires.
- (d) Comply with all applicable domestic, EU or international laws or regulations or official directives.
- (e) Maintain adequate insurances to cover against the risks which may arise in connection with any property or any activity undertaken in delivery of the Project.
- (f) Maintain appropriate financial risk and control systems before utilising any part of the Project Funding or procuring any goods or services from third parties.
- (g) Co-operate fully with any employee of the Project Authority Lead or any consultant appointed by the Project Authority Lead to monitor use of the Project Funding and the Recipient's compliance with the conditions imposed by this Agreement.
- (h) Inform the Project Authority Lead immediately if any declarations made to the Project Authority Lead are discovered to be materially incorrect at the time they were given.
- (i) Notify the Project Authority Lead if a Notification Event has occurred or is likely to occur.
- (j) Provide the Project Authority Lead with such documents information and reports which the Project Authority Lead may reasonably require from time to time in order for the Project Authority Lead to monitor the Project Authority Lead's compliance with the conditions imposed by this Agreement.
- (k) Subject to clause 4.4 maintain and update the business case for the Project to reflect key developments and keep the Project Authority Lead and Accountable Body notified of such developments by submitting updates to the Portfolio Management Office.
- (l) Notify the Project Authority Lead in writing of any anticipated or actual material change to the financial case for the Project.
- (m) Meet with any representatives of the Project Authority Lead as the Project Authority Lead may from time to time reasonably require.
- (n) Ensure that such person as the Project Authority Lead may require attends all meetings with the Project Authority Lead.
- (o) Maintain complete and accurate accounting records identifying all income and expenditure relating to the Project.

- (p) Subject to clause 21.2 indemnify the Project Authority Lead against any liabilities claims proceedings demands losses costs and expenses suffered or incurred by the Project Authority Lead directly or indirectly arising as a result or in connection with any failure by the Recipient to perform fully or in part any obligation the Recipient may have to a third party.
 - (q) Comply with any obligations imposed by the Project Authority Lead to acknowledge the Welsh Government's support for the Project in a form approved by the Project Authority Lead and in compliance with the Welsh Government's branding guidelines.
 - (r) Agree that from the date of this Agreement until five years from the date of the final payment of Project Funding to the Project the Project Authority Lead may allow the Welsh Government to include details about the Recipient the Project Funding and the Project in Welsh Government promotional materials and agree to cooperate with the Project Authority Lead's reasonable requests to achieve the production of such materials
 - (s) Comply with the Equality Act 2010 and apply a policy of equal opportunities as employers as users of volunteers and as providers of services.
 - (t) Where the Project includes or relates to the provision of services in Wales ensure that they are provided in Welsh and English unless it would be unreasonable or disproportionate to do so. Where services are provided in both Welsh and English they must be provided in such a way as to not treat the Welsh language less favourably than English in accordance with the Welsh Language (Wales) Measure 2011.
 - (u) Contribute to the achievement of the Welsh Government's well-being objectives contained in the Welsh Government's Programme for Government through the use of the Project Funding.
- 4.14 The Recipient shall comply with any other obligations imposed on the Recipient in accordance with Schedule 5.

5. Funding Agreement

- 5.1 The Recipient may enter into a Funding Agreement to facilitate the distribution of Government Funding to another recipient in order to deliver the Project.

6. Project Agreed Outputs

- 6.1 The Recipient shall be responsible for achieving the Project Agreed Outputs.
- 6.2 The Project Agreed Outputs are contained within the Project Business Case as set out at Schedule 6. The Project Authority Lead reserves the right to add to or amend the Project Agreed Outputs without following the process set out in clause 6.3 in the event that the UK or Welsh Government revise the same.
- 6.3 Any Party to this Agreement may propose a change to the Project Agreed Outputs by serving a Request for Change to the Project Agreed Outputs on the other Party. Such Request for Change to the Project Agreed Outputs on the

other Party shall be in writing and shall identify the change proposed. The Project Authority Lead shall submit any Request for Change to the Project Agreed Outputs to the Accountable Body who may request the Joint Committee to seek approval from the Welsh Government. A Request for Change to the Project Agreed Outputs shall not come into effect until it is approved by either the Accountable Body or the Welsh Government.

- 6.4 The Recipient may impose obligations on another person relating to the achievement of the Project Agreed Outputs but the Recipient shall remain responsible for achievement of the Project Agreed Outputs.
- 6.5 The Recipient shall report on progress with achieving the Project Agreed Outputs in accordance with clause 10.
- 6.6 Failure by the Recipient to achieve the Project Agreed Outputs shall be treated as a breach by the Recipient of its obligations under this Agreement and clause 7 shall apply.

7. Breach of this Agreement

- 7.1 Subject to clause 7.3 in the event of failure by the Recipient to achieve the Project Agreed Outputs or a breach by either Party of any other obligations under this Agreement the Parties shall attempt to resolve the failure by following the following procedure prior to dealing with the matter in accordance with the procedure set out in clause 8:
 - (a) The non-defaulting Party shall serve a Notice of Breach on the defaulting Party. Such Notice of Breach shall identify the breach and shall require the defaulting Party to take specified rectification action within twenty (20) Working Days of receipt of the Notice of Breach or such longer period as the non-defaulting Party considers reasonable.
 - (b) If the defaulting Party fails to take the action specified within the Notice of Breach within twenty (20) Working Days or such other period as is specified the non-defaulting Party shall refer the matter to the Joint Committee to decide whether the breach by the defaulting Party shall be treated as a Notification Event.
 - (c) If the Joint Committee decides that the breach by the defaulting Party shall be treated as a Notification Event clause 8 shall apply.
- 7.2 If either Party reasonably considers that any action or omission by the other Party has caused a potential risk of a Notification Event occurring the Party who reasonably considers that the other Party has caused such potential risk shall have the right to regard the action or omission of the other Party as a breach of obligations under this Agreement and shall have the right to follow the procedure in clause 7.1 as the non-defaulting Party.
- 7.3 The Project Authority Lead reserves the right at its absolute discretion to treat breach by the Recipient as a Notification Event without first following the procedure in clause 7.1 and shall be obliged to do so if the Welsh Government exercises its right under any funding award letter to treat the failure as a Notification Event.

8. Notification Events and Their Consequences

- 8.1 The Parties acknowledge the statement made by Welsh Government in a letter dated 14 November 2019 addressed to the Accountable Body that no corrective action would be taken by Welsh Government in relation to a Notification Event without first engaging with the Councils with a view to agreeing a suitable course of action. The letter dated 14 November 2019 and further communication from Welsh Government dated 30 September 2020 and 16 October 2020 are attached at Schedule 9. This clause **Error! Reference source not found.** is designed to ensure that efforts are made to resolve issues and avoid escalation wherever possible.
- 8.2 Each Party must notify the other immediately as soon as it becomes aware that a Notification Event has occurred or is likely to occur. The Parties shall follow the procedure in clause 7 if the Notification Event or potential Notification Event has been caused by a Party's breach of the Agreement, prior to utilising this clause 8.
- 8.3 In the event that the procedure in clause 7 fails to address the Notification Event or potential Notification Event the non defaulting Party or the Party providing notification pursuant to clause 8.2 must confirm whether it considers (i) the Notification Event is not capable of remedy or (ii) the Notification Event or potential Notification Event is capable of being remedied and seek to discuss the Notification Event with the other Party with a view to agreeing a course of action to be taken to address the Notification Event.
- 8.4 The Project Authority Lead shall be entitled to take any of the actions set out at clause 8.5 if:
- (a) Despite the Project Authority Lead's reasonable efforts the Project Authority Lead has been unable to discuss the Notification Event with the Recipient. Or
 - (b) In respect of a Notification Event that has been caused by the Recipient the Project Authority Lead notifies the Recipient that the Notification Event is not capable of remedy. Or
 - (c) In respect of a Notification Event that has been caused by the Recipient a course of action to address the Notification Event is not agreed between the Project Authority Lead and the Recipient. Or
 - (d) A course of action to address the Notification Event is agreed between the Project Authority Lead and the Recipient but the Recipient fails to follow that course of action or any conditions attached to it are not met (including without limitation the timescale for such course of action). Or
 - (e) The course of action fails to remedy the Notification Event to the satisfaction of the Project Authority Lead.
- 8.5 If any of the circumstances set out in clause 8.4 occur the Project Authority Lead may by notice to the Recipient:

- (a) Require the Recipient to repay all or part of the Project Funding to the Project Authority Lead.
- (b) Suspend or cease all further payments of Project Funding.
- (c) Make all further payments of Project Funding subject to such conditions as the Project Authority Lead may specify provided that such conditions do not amend the Project Agreed Outputs, Project Outcomes or Project Impacts.
- (d) Deduct all amounts owed to the Project Authority Lead under the terms of this Agreement from any other funding that the Project Authority Lead has awarded or may award to the Recipient. And/Or
- (e) Exercise any other rights against the Recipient which the Project Authority Lead may have in respect of the Project Funding.

8.6 In the event that payment of the Project Funding is ceased or to be repaid in accordance with clause 8.5, either party shall be entitled to terminate this Agreement immediately on notice subject to the approval of the Joint Committee, provided where repayment is required, that the Recipient has repaid in accordance with clause 19. Where payment of Project Funding is suspended, the parties shall agree in good faith whether (i) the circumstances leading to suspension can be resolved, and if so agree a timetable for resolution; or (ii) whether the circumstances leading to suspension cannot be resolved whereupon either party shall be entitled to terminate this Agreement immediately on notice subject to the approval of the Joint Committee.

8.7 The Project Authority Lead shall keep the Recipient fully informed of developments and discussions with the Accountable Body, the Joint Committee and/or Welsh Government in relation to any Project Authority Lead breach of this Agreement which could result in suspension, cessation or repayment of any Government Funding and/or termination of the Agreement between the Accountable Body and the Project Authority Lead.

9. Representations

9.1 The Recipient hereby represents and warrants to the Project Authority Lead that each of the representations and warranties set out below are true and accurate: [Note: (a) to (g) should be included in all Agreements between the Project Authority Lead and a Recipient. (h) to (j) should be included in Agreements with private sector Recipients. (k) to (n) should be included in Agreements with public sector Recipients.

- (a) This Agreement, the other Project Documents and any document required to be entered into by the Recipient hereunder or thereunder constitute, or when entered into will constitute, its legal, valid and binding obligations;
- (b) To the best of the Recipient's knowledge, information and belief, no matter exists which the Recipient reasonably considers is likely to give rise to a civil, criminal, arbitration, administrative or other proceeding in any jurisdiction involving it which is likely to have a material adverse

effect on its performance of its obligations arising under this Agreement and there is no outstanding judgment, order, decree, arbitral award or decision of a court, tribunal, arbitrator or governmental agency in any jurisdiction against it which is likely to have a material adverse effect on its ability to perform its obligations under this Agreement;

- (c) Neither the execution, delivery nor performance by the Recipient of this Agreement, the Project Documents nor any other document required to be entered into by the Recipient hereunder or thereunder nor the consummation of any of the transactions contemplated hereby and thereby, require the consent or approval or the giving of notice to, the registration with, or the taking of any other action in respect of any governmental authority or agency, except as have been obtained and are now in full force and effect;
- (d) The Recipient is not aware, after due enquiry, of anything which materially threatens the Successful Completion of the Project and which has not previously been notified in writing to the Project Authority Lead;
- (e) The Recipient has agreed the Project Agreed Outputs set out at Schedule 6 to this Agreement.
- (f) The Recipient has disclosed to the Project Authority Lead all material facts or circumstances which need to be disclosed to enable the Project Authority Lead to obtain a true and correct view of the Recipient's business and affairs or which ought to be provided to any person who is considering providing funding to the Recipient;
- (g) All information provided by or on behalf of the Recipient to the Project Authority Lead or the Project Authority Lead's Advisers in connection with this Agreement and, without prejudice to the generality of the foregoing, all of the information incorporated in this Agreement was true and accurate and not misleading when it was provided and nothing has occurred since then to make it untrue, inaccurate or misleading in any material respect;
- (h) [The Recipient is validly incorporated under the laws of England and Wales and has full power, authority and right to enter into and perform its obligations under this Agreement and any other Project Documents to which it is or is required to be a party and to consummate the transactions contemplated hereby;
- (i) The execution, delivery and performance of this Agreement and the other Project Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly authorised by all necessary corporate action on its part and do not contravene any applicable law, regulation or order binding on it or any of its assets or its constitutional documentation;
- (j) The audited accounts of the Recipient most recently delivered to the Project Authority Lead:
 - (i) Have been prepared in accordance with accounting principles and practices generally accepted and consistently applied in the United Kingdom; and

- (ii) Show a true and fair view: of the assets and liabilities of the Recipient as at the date to which they were drawn up; and of the profits/surplus of the Recipient (if applicable) for the financial period ending on that date.]
 - (k) [The Recipient has the power to enter into and perform its obligations under this Agreement and any other Project Documents to which it is or is required to be a party and to consummate the transactions contemplated hereby;
 - (l) The Recipient has taken all necessary decisions and obtained all necessary authorisations to enable it to enter into and perform its obligations under this Agreement and the other Project Documents to which it is a party and the consummation of the transactions contemplated hereby;
 - (m) The Recipient has complied with any duties applicable to its management of its financial affairs and its preparation of accounts;
 - (n) No report under section 114 of the Local Government Finance Act 1988 has been issued or is anticipated in respect of the Recipient.]
- 9.2 Should any representation or warranty no longer be true and accurate if given by the Recipient at any time when this Agreement is in force then the Recipient will immediately inform the Project Authority Lead and provide the Project Authority Lead with full details of the same.

10. Risk and Project Agreed Outputs

- 10.1 The Recipient shall identify any risks associated with the Project and shall take action to address and mitigate any risks.
- 10.2 The Recipient shall identify any material risks associated with the Project Outcomes and shall use reasonable endeavours to address and mitigate any risks.
- 10.3 From the Commencement Date until Completion of the Project the Recipient shall provide the Project Authority Lead with a report on risk and a report on progress with achieving the Project Agreed Outputs when the Recipient submits an application for payment of Project Funding and at any other time requested by the Project Authority Lead.
- 10.4 From the date of Completion until Successful Completion of the Project the Recipient shall comply with such monitoring requirements as specified by the Project Authority Lead to include an annual report on the progress in achieving the Project Agreed Outputs.

11. Purpose of Project Funding

- 11.1 The Recipient shall use the Project Funding only for the delivery of the Project and in accordance with the Project Purposes and the terms and conditions set out in this Agreement. The Project Funding shall not be used for any other purpose without the prior written agreement of the Project Authority Lead.

11.2 Any change to the purposes of the Project shall require the written consent of the Joint Committee and must be obtained in advance of implementing any change.

12. Payment of Project Funding

12.1 The Project must go through the process set out in clause 12 of the Joint Committee Agreement and be approved for funding from the Swansea Bay City Deal before any Project Funding can be released for the Project.

12.2 After the Project has been approved for funding from the Swansea Bay City Deal the Recipient may submit applications to the Project Authority Lead for payment of the Project Funding to the Recipient in accordance with the financial profile set out at Schedule 2.

12.3 An application by the Recipient to the Project Authority Lead for payment of Project Funding must be made on the form set out at Schedule 4 and must be accompanied by all the documents referred to in that form. The Recipient shall provide the Project Authority Lead with copies of such invoices and other information on request as the Project Authority Lead shall from time to time require in order to verify that the application relates to Expenditure on the Project. The application shall be signed by the chief financial officer or equivalent of the Recipient or such other person authorised by the Recipient as shall be agreed by the Project Authority Lead. The Recipient shall give the Project Authority Lead access to inspect any documents or sites relating to the Project.

12.4 In the event that there is an actual or anticipated material change to the Budget (as prescribed in Schedule 2) the Recipient shall immediately notify the Project Authority Lead who shall make any adjustments to the Maximum Amount of Project Funding and/or to the Maximum Project Funding Percentage as necessary.

12.5 Subject to clause 12.6 the Project Authority Lead shall pay Project Funding to the Recipient no later than 28 days after the Project Authority Lead receives an application for Project Funding which is in accordance with the financial profile.

12.6 The Project Authority Lead shall not be required to pay Project Funding to the Recipient if any of the following circumstances apply:

- (a) The Project Authority Lead does not receive Government Funding for the Project from the Accountable Body.
- (b) The Recipient has not submitted a claim and progress report to the Project Authority Lead or has failed to submit evidence that the claim relates to Expenditure that has been defrayed on the Project.
- (c) The payment of Project Funding would cause the Project Authority Lead to breach any conditions imposed by the Accountable Body for the provision of the Project Funding.
- (d) A Notification Event has occurred and is continuing or is likely to do so;

- (e) Any of the representations and warranties referred to in this Agreement would not be correct at the time of (or as a result of) the making of the Project Funding Payment; or
- (f) Making the Project Funding Payment would cause the total amount of Project Funding paid to the Recipient to exceed the Maximum Amount of Project Funding or exceed the Maximum Project Funding Percentage.

12.7 The amount of the Project Funding paid in total to the Recipient shall not in any circumstance exceed £[].

13. Monitoring and Evaluation

13.1 The Recipient must:

- (a) Provide the Project Authority Lead with such documents information and reports which the Project Authority Lead may reasonably require from time to time in order for the Project Authority Lead to monitor the Recipient's compliance with this Agreement;
- (b) Provide the Project Authority Lead with quarterly reports for the Joint Committee;
- (c) Meet Welsh Government Officials UK Government officials members of the Joint Committee and members of the Economic Strategy Board as the Project Authority Lead shall reasonably require;
- (d) Provide the Portfolio Management Office with such documents information and reports which the Portfolio Management Office may reasonably require from time to time.

13.2 The Recipient shall provide the Project Authority Lead with any information that the Project Authority Lead may reasonably request to enable the Project Authority Lead to evaluate the Project after it has completed.

14. Audit

14.1 The Recipient must:

- (a) Maintain clear accounting records identifying all income and expenditure in relation to the Project;
- (b) Without charge permit any officer of the Project Authority Lead, Accountable Body, Welsh Government, UK Government, Wales Audit Office or the Council undertaking the audit function for the Swansea Bay City Deal at any reasonable time and on reasonable notice to visit the Recipient's premises or inspect any of the Project's activities or to examine and take copies of the Recipient's books of account and such other documents or records as in such officer's reasonable view may relate in any way to the Recipient's use of the Project Funding;
- (c) Retain this Agreement and all original documents for a period of 15 years or until the Project Authority Lead informs the Recipient in writing that it may destroy them.

15. Force Majeure

15.1 In this clause, "**force majeure**" means an event beyond the control of the Project Authority Lead or the Recipient, which makes it impossible or illegal for a Party to perform its obligations under this agreement, including but not limited to:

- (a) act of God;
- (b) war, hostilities (whether declared or not), invasion, acts of foreign enemies, mobilisation, requisition or embargo;
- (c) rebellion, revolution, insurrection or military or usurped power, or civil war;
- (d) contamination by radio-activity from any nuclear fuel, or from any nuclear fuel or waste;
- (e) riot, commotion or disorder, unless solely restricted to employees of the Recipient, its contractors or any of their sub-contractors.
- (f) Epidemic or pandemic.

15.2 Neither the Project Authority Lead nor the Recipient shall be considered in default or in breach of this Agreement to the extent that performance of their respective obligations under this Agreement is prevented by a force majeure event which arises after the execution of this Agreement.

15.3 Upon the occurrence of an event considered by a Party to constitute force majeure and which may affect performance of that Party's obligations, such Party shall promptly notify the other Party of that fact and (in the case of the Recipient) the steps being taken by it to minimise or remove the circumstances giving rise to force majeure. Any Party affected by force majeure shall endeavour to continue to perform its obligations as far as is reasonably practicable.

16. Duration

16.1 This Agreement shall continue in force until all the obligations of the Recipient of Project Funding for all the Projects have been unconditionally and irrevocably satisfied in full and no amount of Project Funding is capable of becoming repayable by the Recipient to the Project Authority Lead or (if earlier) until terminated by the Parties under the provisions of this Agreement.

16.2 This clause together with clauses 14,19,20,21,27,28 and 29 shall continue in force after the expiry or termination of this Agreement.

17. Suspension of Payments (where a Notification Event does not apply)

17.1 The Project Authority Lead may suspend payments of Project Funding if the Welsh Government or the UK Government suspend payment of Swansea Bay City Deal funding to the Accountable Body and if the suspension is not permanent, the Parties shall agree reasonable amendments to the requirement to deliver the Project Agreed Outputs for the duration of the suspension. The Parties shall also be entitled to terminate the Agreement by notice of one to the

other if both Parties agree that the suspension is either permanent or is continuing or likely to continue for an unsustainable period of time and written consent for such termination has been given by the Welsh Government.

18. Withdrawal of Project Funding (where a Notification Event does not apply)

18.1 The Project Authority Lead may withdraw its agreement to pay the Project Funding to the Recipient if the Welsh Government or the UK Government withdraw the award of Government Funding and thereafter the Parties shall be entitled to terminate this Agreement by notice of one to the other if written consent for such termination has been given by the Welsh Government. Where the Project Funding is withdrawn in accordance with this clause 18, the obligations imposed on the Recipient under this Agreement shall be suspended until such time as Welsh Government has made a decision as to whether to give consent for the Agreement to be terminated.

19. Repayment of Project Funding

19.1 The Project Authority Lead may require the Recipient to repay all or part of the Project Funding to the Project Authority Lead if the Project Authority Lead is required to repay all or part of the Government Funding.

19.2 The Project Authority Lead may deduct amounts owed to it as repayment from any other funding that the Project Authority Lead may have awarded or may award to the Recipient.

19.3 All repayments of Project Funding must be made to the Project Authority Lead within 28 days of the date of the Project Authority Lead's demand. If applicable the Recipient must pay interest on any overdue repayments.

19.4 If, at any time, the Recipient receives or becomes entitled to receive Co-funding or Other Receipts in excess of the amounts specified in Schedule 2, the Recipient shall immediately provide details of the same to the Project Authority Lead. Upon any such notice the Project Authority Lead may:

- (a) reduce the Maximum Project Funding Percentage; and/or
- (b) reduce the Maximum Amount of Project Funding; and/or
- (c) require repayment of any or all Project Funding Payments or any part of them such that the reduced Maximum Amount of Project Funding is not exceeded.

19.5 The Recipient shall, unless the Project Authority Lead agrees otherwise, repay to the Project Authority Lead any Project Funding Payments made to it as a result of an administrative error whether such error is made by the Project Authority Lead, the Recipient or any other person.

20. Publicity

- 20.1 The Recipient shall not make or consent to the making of any public statement or announcement or engage in any promotional activity concerning this Agreement without the prior written consent of the Project Authority Lead.
- 20.2 The Recipient must acknowledge the support of the Welsh Government and the UK Government. Such acknowledgement must be in a form approved by the Project Authority Lead.
- 20.3 The Recipient agrees that from the Commencement Date until five years from the date of the final payment of Project Funding the Welsh Government may include details about the Recipient and the Project in promotional materials.

21. Indemnity

- 21.1 The Recipient shall on demand indemnify and keep indemnified the Project Authority Lead against all losses costs expenses actions charges claims damages proceedings and other liabilities sustained or incurred as a result of any breach by the Recipient of any obligations under this Agreement.
- 21.2 The liability of the Recipient pursuant to clause 4.13(p) and clause 21.1 shall be limited to the total amount of Project Funding Payments received by the Recipient together with any direct losses occasioned by the Project Authority Lead.
- 21.3 The Project Authority Lead shall on demand indemnify and keep indemnified the Recipient against all losses costs expenses actions charges claims damages proceedings and other liabilities sustained or incurred as a result of any breach by the Project Authority Lead of any obligations under this Agreement.
- 21.4 The liability of the Project Authority Lead pursuant to clause 21.3 shall be limited to the total amount of Government Funding received by the Project Authority Lead and paid to the Recipient by way of Project Funding. The liability of the Project Authority Lead shall not extend to any expectation the Recipient may have in relation to the award of future Project Funding.

22. No Liability of the Project Authority Lead

- 22.1 Nothing in this Agreement nor any other document shall constitute the Recipient as the agent of the Project Authority Lead or else shall impose any obligation or liability on the Project Authority Lead or any of the Project Authority Lead's Advisers (save in cases of fraud negligence or wilful misconduct on the part of the Project Authority Lead or the Project Authority Lead's Advisers) with respect to any actions of or obligation or liability assumed or incurred by the Recipient or its agents contractors or employees whether under contract statute or otherwise.
- 22.2 The Recipient agrees not to make any representation of suggestion to any person whether by conduct silence or otherwise which would contradict clause 22.1.

23. Assignment

- 23.1 The Parties acknowledge that the Project Funding is non-transferable and that they may not assign or transfer this Agreement or any of their rights benefits or obligations under this Agreement except where the Project Funding is assigned to another recipient subject to the written consent of the Welsh Government.

24. Variation

- 24.1 Any variation to this Agreement must be in writing and executed by the Parties in the same manner as this Agreement.

25. Notices

- 25.1 All notices under, or in connection with, this Agreement shall (unless otherwise stated) be given in writing by letter or e-mail and must prominently display the heading "Notice in relation to Swansea Bay City Region City Deal funding". Any such notice is deemed given as follows:

- (a) If given by letter such notice shall be deemed to be delivered on the second Working Day after being posted by first class prepaid post;
- (b) If delivered by hand upon delivery to the address or the next Working Day if after 4pm or on a weekend or public holiday;
- (c) If sent by e-mail attachment upon transmission or the next Working Day if after 4pm or on a weekend or public holiday;

provided that any notice given or delivered or deemed to have been given or delivered on a day which is not a Working Day or after 4 pm on a Working Day shall be deemed instead to have been given or delivered on the next following Working Day.

- 25.2 The address and e-mail address of the Project Authority Lead and the Recipient are as follows (or such other address or e-mail address notified to the relevant Party from time to time):

Project Authority Lead

[]

Recipient

[]

26. Confidentiality

- 26.1 Subject to clause 27 (Freedom of Information), each Party shall during the term of this Agreement and thereafter keep secret and confidential all Intellectual Property Rights or Know-How or other business, technical or commercial information disclosed to it as a result of the Agreement and shall not disclose the same to any person save to the extent necessary to perform its obligations in accordance with the terms of this Agreement or save as expressly authorised in writing by the other Party.

- 26.2 The obligation of confidentiality contained in this clause shall not apply or shall cease to apply to any Intellectual Property Rights, Know-How or other business, technical or commercial information which:
- (a) At the time of its disclosure by the disclosing party is already in the public domain or which subsequently enters the public domain other than by breach of the terms of this Agreement by the receiving party;
 - (b) Is already known to the receiving party as evidenced by written records at the time of its disclosure by the disclosing party and was not otherwise acquired by the receiving party from the disclosing party under any obligations of confidence; or
 - (c) Is at any time after the date of this Agreement acquired by the receiving party from a third party having the right to disclose the same to the receiving party without breach of the obligations owed by that party to the disclosing party.

27. Freedom of Information

- 27.1 The Recipient acknowledges that the Project Authority Lead is subject to the requirements of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 and shall assist and co-operate with the Project Authority Lead to enable the Project Authority Lead to comply with these information disclosure requirements and shall provide all necessary assistance as reasonably requested by the Project Authority Lead to enable the project Authority Lead to respond to a request for information within the time for compliance set out in section 10 of the FOIA or regulation 5 of the Environmental Information Regulations 2004.

28. Data Protection

- 28.1 The Recipient shall comply with the provisions and obligations imposed on it by the Data Protection Laws at all times when processing Personal Data in connection with this Agreement.
- 28.2 The Recipient shall maintain records of all processing operations under its responsibility that contain at least the minimum information required by the Data Protection Laws, and shall make such information available to any DP Regulator on request.
- 28.3 To the extent the Recipient processes any Personal Data on behalf of the Project Authority Lead or another Council the Recipient shall:
- (a) Process such Personal Data only in accordance with the Project Authority Lead's written instructions from time to time and only for the duration of this Agreement.
 - (b) Not process such Personal Data for any purpose other than those set out in this Agreement or otherwise expressly authorised by the Project Authority Lead.
 - (c) Take reasonable steps to ensure the reliability of all its personnel who have access to such Personal Data, limit such access to its personnel who require access, and remove, when no longer required, such access

to the Personal Data, and ensure that any such personnel are committed to binding obligations of confidentiality when processing such Personal Data.

- (d) Implement and maintain technical and organisational measures and procedures to ensure an appropriate level of security for such Personal Data, including protecting such Personal Data against the risks of accidental, unlawful or unauthorised destruction, loss, alteration, disclosure, dissemination or access.
- (e) Not transfer such Personal Data to a country where the General Data Protection Regulation does not apply without the prior written consent of the Project Authority Lead.
- (f) Inform the Project Authority Lead within twenty four (24) hours if any such Personal Data is (while within the processing Council's possession or control) subject to a personal data breach (as defined in Article 4 of GDPR) or within such other time period as required under other Data Protection Laws, or is lost or destroyed or becomes damaged, corrupted or unusable.
- (g) Only appoint a third party to process such Personal Data with the prior written consent of the Project Authority Lead.
- (h) Not use or disclose any Personal Data to any Data Subject or to a third party other than at the written request of the Project Authority Lead or as expressly provided for in this Agreement.
- (i) Return or irretrievably delete all Personal Data on termination or expiry of this Agreement and not make any further use of such Personal Data.
- (j) Provide to the Project Authority Lead and any DP Regulator all information and assistance necessary or desirable to demonstrate or ensure compliance with the obligations in this clause and the Data Protection Laws.
- (k) Permit the Project Authority Lead or its representatives to access any relevant premises, personnel or records of the Recipient on reasonable notice to audit and otherwise verify compliance with this clause.
- (l) Take such steps as are reasonably required to assist the Project Authority Lead in ensuring compliance with its obligations under Articles 30 to 36 (inclusive) of GDPR and other applicable Data Protection Laws.
- (m) Notify the Project Authority Lead within two (2) Working Days if it receives a request from a Data Subject to exercise its rights under the Data Protection Laws in relation to that person's Personal Data; and
- (n) Provide the Project Authority Lead with its full co-operation and assistance in relation to any request made by a Data Subject to exercise its rights under the Data Protection Laws in relation to that person's Personal Data.

- 28.4 If the Project Authority Lead receives any complaint, notice or communication which relates directly or indirectly to the processing of Personal Data by the Recipient or to the Recipient's compliance with the Data Protection Laws, it shall as soon as reasonably practicable notify the Recipient and it shall provide the Recipient with reasonable co-operation and assistance in relation to any such complaint, notice or communication.
- 28.5 If the Project Authority Lead requires the Recipient to make any disclosures or provide any information in respect of this Agreement in order to enable that Party to meet its obligations under the Data Protection Laws the Recipient shall do so.
- 28.6 The provisions of this clause shall apply during the continuance of this Agreement and indefinitely after its expiry or termination.

29. State Aid

- 29.1 If any part of the Project Funding made available under this Agreement is found to be unlawful State aid the Project Authority Lead shall be entitled to recover directly from the Recipient any part of that State aid which has been given to the Recipient together with interest.

30. Sustainability

- 30.1 The Recipient's use of the Project Funding must be consistent with the duty of the Project Authority Lead and the Welsh Government to carry out sustainable development as required by the Well-being of Future Generations (Wales) Act 2015.

31. Termination

- 31.1 The Parties shall require the prior approval of the Joint Committee to terminate this Agreement. The Parties agree that subject to the prior approval of the Joint Committee this Agreement may be terminated upon terms agreed by the Parties.

32. Waiver

- 32.1 No failure or delay by either Party to exercise any right or remedy under this Agreement shall be construed as a waiver of any other right or remedy.

33. Dispute Resolution

- 33.1 The Parties to this Agreement undertake and agree to pursue a positive approach towards dispute resolution which seeks to identify a solution at the lowest operational level that is appropriate to the subject of the dispute and which avoids legal proceedings and maintains a strong working relationship between the Parties.
- 33.2 Any dispute arising in relation to any aspect of this Agreement shall be resolved in accordance with this clause 33.
- 33.3 All disputes, claims or differences between the Parties arising out of or in connection with this Agreement or its subject matter or formation, including any question regarding its existence, validity or termination, (a "Dispute") shall, at

the written request of any Party be referred by the Project Authority Lead to its head of paid service and by the Recipient to its most senior employee.

- 33.4 If the head of paid service of the Project Authority Lead and the most senior employee of the Recipient do not agree a resolution of the Dispute within ten Working Days of the date of service of any such request, the matter shall be referred to the Joint Committee.
- 33.5 If the Joint Committee is not able to resolve the dispute either Party may require the other Party by notice in writing to attempt to settle the Dispute by mediation in accordance with the Centre for Dispute Resolution (CEDR) Model Mediation Procedure. Within five Working Days of the date of service of such notice the Parties shall each propose a mediator and shall seek to agree as to the selection of a mediator.
- 33.6 If the Parties are unable to agree on a mediator within ten Working Days of date of service of the notice referred to in clause 33.5 or the mediator agreed upon is unable or unwilling to act and the parties cannot agree upon a substitute, any Party may apply to CEDR to appoint a mediator as soon as practicable.
- 33.7 The Parties shall within five Working Days of the appointment of the mediator (the "Mediator") meet with him in order to agree a programme for the exchange of any relevant information and the structure to be adopted for the negotiations. If considered appropriate, the Parties may at any stage seek assistance from CEDR to provide guidance on a suitable procedure.
- 33.8 All negotiations connected with the Dispute shall be conducted in strict confidence and without prejudice to the rights of the Parties in any future proceedings.
- 33.9 If the Parties reach agreement on the resolution of the Dispute, such agreement shall be reduced to writing and, once it is signed by the parties or their duly authorised representatives, shall be and remain binding upon the Parties.
- 33.10 The costs and expenses of the mediation shall be borne equally by the Parties. Each Party shall bear its own costs and expenses of its participation in the mediation.
- 33.11 If mediation fails to secure a resolution within ten Working Days of the Mediator being appointed, the Parties shall attempt to settle the Dispute by arbitration under the Rules of the London Court of International Arbitration (which Rules are deemed to be incorporated by reference into this clause) and otherwise in accordance with clause 33.12.
- 33.12 In the event that an arbitration is commenced pursuant to clause 33.11 the Parties agree that:
 - (a) The tribunal shall consist of one arbitrator who is to be a chartered accountant who is a member of the Consultative Committee of Accountancy Bodies (CCAB) if the dispute relates to a financial matter or a solicitor of at least ten years standing as a qualified solicitor if the dispute relates to any other matter;
 - (b) The place of the arbitration shall be Swansea;

- (c) The decision of the arbitrator shall be final and binding on the Parties (save in the case of manifest error).

34. Interest

- 34.1 If either Party fails to pay any sum due to the other on the due date, such sum will bear interest both before and after judgment at the rate of 2% per annum above the Bank of England Bank Rate from time to time or such other rate as may be required by State Aid rules until paid in full. Either Party may, but need not, set off sums payable by it to the other against any unpaid sums.

35. Relationship of parties

- 35.1 This Agreement shall not create any partnership or joint venture between the Project Authority Lead and the Recipient, nor any relationship of principal and agent, nor authorise any Party to make or enter into any commitments for or on behalf of the other Party.

36. Decisions of the Project Authority Lead

- 36.1 Except where any agreement decision or determination to be made by the Project Authority Lead under or in connection with this Agreement is expressly qualified such agreement decision or determination by the Project Authority Lead shall be made by the Project Authority Lead in its absolute discretion.

37. Contracts (Rights of Third Parties) Act 1999

- 37.1 This Agreement does not and is not intended to confer any contractual benefit on any person pursuant to the terms of the Contracts (Rights of Third Parties) Act 1999.

38. Entire Agreement

- 38.1 This Agreement constitutes the entire agreement between the Parties and supersedes and extinguishes all previous agreements promises assurances warranties representations and understandings between them whether written or oral relating to its subject matter. Nothing in this Agreement shall exclude liability for fraudulent misrepresentation or any other liability in consequence of any fraudulent act.

39. Severability

- 39.1 If at any time any provision of this Agreement is or becomes illegal invalid or unenforceable in any respect that shall not affect or impair the legality validity or enforceability of any other provision of this Agreement.

40. Execution

- 40.1 This Agreement may be executed and delivered in any number of counterparts but will only be effective when both Parties have executed at least one counterpart. Each counterpart of this document shall constitute an original of this document but the counterparts together constitute one and the same document and together shall have the same effect as if each Party had signed the same document.

41. Governing Law

- 41.1 This Agreement shall be governed by and construed in accordance with the law of England and Wales.
- 41.2 The Project Authority Lead and the Recipient irrevocably agree that any legal action or proceedings arising out of or relating to this Agreement may be brought and enforced in the courts of England and Wales and irrevocably submit to such jurisdiction.

IN WITNESS whereof the Parties have executed this Agreement on the date set out at the start of this Agreement.

EXECUTED for and on behalf of
[PROJECT AUTHORITY LEAD] by affixing the common seal of [PROJECT
AUTHORITY LEAD]
in the presence of

SIGNATURE

NAME

POSITION

EXECUTED for and on behalf of
[RECIPIENT]

SIGNATURE

NAME

POSITION

SIGNATURE

NAME

POSITION

In the presence of

WITNESS SIGNATURE

NAME

ADDRESS

OCCUPATION

Schedule 1 Project Details

1 Project Description

- 1.1 [Details of the project for which Project Funding is being provided to be inserted here, together with details of the period for which funding is being provided]

2 Project Purpose

- 2.1 The purpose of the Project is [].

3 Project Documents

- 3.1 The following documents refer to the Project:

(a) Business Case [to be referenced and not attached]

(b) []

4 Completion

- 4.1 Completion shall be deemed to have occurred when there is practical completion of all project works or such other key date/stage as described below:-

.....

5 Projected Completion Date

- 5.1 []

6 Key Personnel

- 6.1 []

7 Project Agreed Outputs

- 7.1 See Schedule 6

Schedule 2 Financial Profile

1. Budget

1.1 [Extract of Business Case to be inserted here – detailing the following:-

Maximum Amount of Project Funding

Co-funding

Borrowing

Other receipts

Expenditure profile]

Material change to the Budget = x% of the total Budget

2. Financial Profile for Payment of Project Funding to the Recipient

[Insert details on a project specific basis. Eg the Recipient is to submit a claim for Project Funding to the PAL at the end of each quarter based on incurred expenditure and subject to all payments not exceeding the Maximum Amount of Project Funding. Alternatively the PAL may wish to make a payment to the Recipient of the Maximum Amount of Project Funding in a one stage payment subject to confirmation of incurred expenditure.]

3. Maximum Project Funding Percentage

[Insert here details of Maximum Project Funding Percentage applicable to this Project]

Schedule 3 Notification Events

- 1 Each of the following shall constitute a Notification Event:
 - 1.1 Repayment of any part of the Project Funding is required under European Law.
 - 1.2 Repayment of any part of the Project Funding is required by HM Treasury or the Welsh Government.
 - 1.3 The Project Authority Lead fails to comply with any conditions imposed on the Project Authority Lead by the Accountable Body in the Agreement between the Accountable Body and the Project Authority Lead.
 - 1.4 The Recipient fails to comply with any obligations imposed on the Recipient by the Project Authority Lead in this Agreement.
 - 1.5 The Project Funding in full or in part is not being used for the purposes set out in Schedule 1.
 - 1.6 The Recipient fails to achieve the Project Agreed Outputs.
 - 1.7 There is unsatisfactory progress towards completing the purposes set out in Schedule 1.
 - 1.8 The Project Authority Lead or the Recipient fails to provide information requested by the Welsh Government the European Commission or the European Court of Auditors or any of its auditors agents or representatives about the Purposes.
 - 1.9 The Recipient fails to provide information requested by the Project Authority Lead or any of its auditors agents or representatives.
 - 1.10 The Accountable Body has reason to believe that the Project Authority Lead or any of its employees or suppliers or any other person engaged by the Project Authority Lead in relation to the Project is or has been involved in fraudulent activity whilst the Project is or were being carried out.
 - 1.11 The Project Authority Lead has reason to believe that the Recipient or any of its employees or suppliers or any other person engaged by the Recipient in relation to the Project is or has been involved in fraudulent activity whilst the Project is or were being carried out.
 - 1.12 The Accountable Body has made an overpayment of Government Funding to the Project Authority Lead.
 - 1.13 The Project Authority Lead has made an overpayment of Project Funding to Recipient.
 - 1.14 Any declaration or representation made by the Project Authority Lead to the Accountable Body is discovered to have been materially incorrect at the time given.
 - 1.15 Any declaration made by the Recipient to the Project Authority Lead is discovered to have been materially incorrect at the time given.

- 1.16 There has been a modification to the auditor's opinion on the financial statements of the Project Authority Lead or the Recipient.
- 1.17 Any event occurs or circumstances arise which in the opinion of the Accountable Body gives reasonable grounds for believing that the Project Authority Lead may not or may be unable to perform or comply with any of its obligations under conditions imposed by the Accountable Body in the Agreement between the Accountable Body and Project Authority Lead.
- 1.18 Any event occurs or circumstances arise which in the opinion of the Project Authority Lead gives reasonable grounds for believing that the Recipient may not or may be unable to perform or comply with any of its obligations under this Agreement.

Schedule 5 Recipient's Obligations

[Template form of Legal Charge and/or restrictions to be attached here to be used in accordance with clause 4.14. These will ensure that the payment of the funding is secured and recoverable in the event of clawback and also that the Recipient is unable to borrow and place a charge on any property benefitting from Project Funding without the consent of the Project Authority Lead]

Additional conditions to be inserted as required for individual projects relating to:

- 1 Delivery of certified copies of articles of association, resolutions to enter into this Agreement, specimen signatures
- 2 Evidence of availability of Co-funding
- 3 Details of contractual structure
- 4 Details of budget
- 5 Delivery of agreement for lease and lease
- 6 Delivery of licence for alterations
- 7 Deed of variation
- 8 Delivery of drawings
- 9 Delivery of certificate of title
- 10 Evidence of VAT status of the Recipient
- 11 Replies to property enquiries and results of searches
- 12 Delivery of certified copies of mortgages and charges
- 13 Delivery of planning permissions
- 14 Registration of titles and charges

Schedule 6 Project Agreed Outputs

[Set out here the Project Agreed Outputs to be achieved by the Recipient. Also include here any targets and outcomes imposed on the Accountable Body as part of the terms and conditions attached to any offer of Government Funding which the AB has passed onto the Project Authority Lead and the PAL is now passing onto the Recipient]

Schedule 7 Project Outcomes

Schedule 8 Project Impacts

Schedule 9 Welsh Government communications



Report of the Cabinet Member for Environment Enhancement and Infrastructure Management

Cabinet – 18 February 2021

Financial Procedure Rule 7, Mumbles Coastal Protection - Flood and Coastal Erosion Risk Management Grant 2018-22

Purpose:	To confirm the updated Flood and Coastal Risk Management (Capital) grant from Welsh Government and include the expenditure in the capital programme for 2020/21 and 2021/22 to comply with Financial Procedure Rule 7 – to commit and authorise a scheme to the Capital Programme.
Policy Framework:	Flood and Water Management Act 2010
Consultation:	Legal, Finance.
Recommendation(s):	It is recommended that: 1) The Flood and Coastal Risk Management (Capital) grant of £1,114,461.00 is confirmed, being 100% total funding for the design stage of this scheme and that this is included in the capital programme for years 2020/21 through to 2021/22. The total cost for the initial phase of the scheme is £1,114,461.00.
Report Authors:	David Hughes/Andy Hopkins
Finance Officer:	Ben Smith
Legal Officer:	Caritas Adere
Access to Services Officer:	Rhian Millar

1. Introduction / Background

- 1.1 The following report has been prepared to advise and update the position on the Council's bid for grant funding from Welsh Government to develop coastal protection measures at Mumbles. The original bid was prepared with the support of Welsh Government Funding, through the development of an outline business case prepared by Arup Consulting in 2017. This evidenced that a number of properties are at risk from flooding due to sea level rise by 2118.

- 1.2 The funding allocation is to develop a detailed scheme design along with a programme for implementation.
- 1.3 The Welsh Governments Flood and Coastal Erosion Risk Management Programme (FCERM) presents the City and County of Swansea with a significant opportunity to implement a sustainable solution to the current issues of the condition of the Mumbles' seawall, and address long term flood risk affecting the community. It will also support the potential of future development and regeneration of the area whilst secure improvements to the amenity and recreation value of the promenade and its use as an important visitor attraction.

2. Capital Programme Process

- 2.1 The Welsh Government Coastal and Risk Management Board has considered the Mumbles Outline Business Case and has previously confirmed their support for the scheme to progress to detailed design stage. As of 4 December 2020, Welsh Government has offered and will now provide 100% funding for the design stages of the project, replacing the previous offer of 75% of grant funding and 25% of match funding by the City and County of Swansea. The new funding was accepted by S151 Finance Officer of City and County of Swansea on 8 December 2020.
- 2.2 The scheme study area extends from Knab Rock slipway in the southwest to Mumbles Road to Oystermouth Square and the Dairy Car Park in the north. Mumbles is currently protected by two types of coastal defences; a 0.5km long mass concrete vertical sea wall and a 0.7 km long sloping revetment. The responsibility for maintaining or addressing any repairs following any failure in these defences lies with the City and County of Swansea.
- 2.3 The options available for improved sea defences are determined in the light of prevailing policies set out in the Shoreline Management Plan to 'Hold the Line' (not extending new infrastructure or development seaward) and in the context of a range of adopted planning policies. The foreshore area of Mumbles lies immediately adjacent to the Blackpill Site of Special Scientific Interest (SSSI), and lies partly within the Mumbles Conservation area. Significant Welsh Water infrastructure also lies in close proximity to the promenade structure. The constrained and sensitive nature of the site impacts on the scope and design of sea defence structure and the methodology for construction.
- 2.4 The Welsh Government Coastal protection funding proposal was tabled and endorsed at the City and County of Swansea's European and External Funding Panel on October 2017.

3. Objectives of Scheme

- 3.1 The foreshore revetment, seawall and parapet is in poor condition with significant cracks and an exposed toe footing. The undermining and failure of the existing structure is a possibility during a storm event. A trunk sewer rising

main runs beneath the promenade, retained by the defences, and the consequences of failure of the seawall adjacent to the SSSI could be significant. Maintenance of the revetment is currently carried out by the City and County of Swansea on a purely reactive basis and costs can vary annually from £6k to £10k.

- 3.2 The promenade is relatively low with wave and still tidal water overtopping relatively common. CCS deploy stop logs across openings in the car park 'set back' walls during periods of high tides. The average costs of installing and removing the stop logs which provide an informal secondary flood prevention measure, costs approximately £10k annually. Despite these measures, some 79 properties have more than a 1 in 10 chance of tidal flooding each year. Through the modelling of sea level rise, this is predicted to increase to 122 properties by 2118, with predicted depths and the likelihood of flooding increasing significantly. This inundation would also sever vital primary access to parts of Mumbles and Mumbles Head including the lifeboat station.
- 3.3 The promenade is a key element of the Mumbles destination, and is a popular visitor attraction and amenity for residents. However, it has a restricted width in many areas, and the removal of the 'pinch-points' will make it safer, more attractive and accessible for pedestrians and cyclists particularly during peak periods. Access to the foreshore for pedestrians and boat use is limited to two narrow steep steps and two slipways.
- 3.4 The Swansea Bay Strategy (2008) highlights the potential for the regeneration of Mumbles waterfront, focused around key nodes such as Knab Rock, Southend gardens and Oystermouth Square. Developments in this area will need to be safe from flooding and erosion for their lifetime. Also the seafront public realm has developed on an ad-hoc basis over many years, and a lack of car parking for residents and visitors is a challenge, along with competing uses for storage of boats
- 3.5 The Outline Business Case (OBC) was structured around the Welsh Government criteria for a five case business model. It considered the case for change, and established a preferred solution to address the issues which represent value for money and which is deliverable and affordable. The OBC included an assessment of the condition of existing coastal structures, expected coastal flooding and erosion, regeneration and amenity, environmental issues and mitigation, constructability, an evaluation of a series of options and costs. The suggested approach is to develop a scheme for a 1 in 200 year standard of flood risk protection, to withstand climate change sea level rises to 2118.
- 3.6 The project will seek to combine enhanced coastal defences with improvements to the promenade and reduce the burden of maintenance on the Authority. It further supports the creation of an attractive and sustainable waterfront, and provides an asset to the local community and an attraction for visitors. An assessment of benefits has been undertaken in accordance with the Flood and Coastal Erosion Risk Management appraisal guidance, the Multi-Coloured Manual and the 'Green Book'. The value of flood damages avoided are estimated at £7,765k. The Outline Business Case also identifies

calculations and broad estimates of present value benefits at between £10m and £35m.

4. Financial Implications

- 4.1 The design and planning stage for this scheme will cost £1,114k, with all funding now provided by Welsh Government. The City & County of Swansea capital budget 2018 approved £2 million of match funding to support CCS contributions to this scheme, for the stages following the design and planning stages and as partial match funding for the early stages.

Details of the proposed expenditure are shown in the Financial Implications summary which is included as Appendix A to this report.

- 4.2 The funding programme for the design and planning stages was progressed over the financial periods of 2018/19, which has already passed with costs incurred, through to 2021/22. Subject to a further review by Welsh Government on completion of the detailed design, it is proposed that the construction works will be carried out between 2021 and 2023. Authorisation to support the additional funding required to construct the works will be subject to a further FPR7.

5. Legal Implications

- 5.1 The Council will need to ensure that all necessary planning consents are obtained. Cabinet approval is required for the submission of an application for planning permission on Council owned land.
- 5.2 The Council will need to ensure that it complies with its Contract Procedure Rules and any relevant procurement legislation when procuring any of the works and related contracts referred to above.
- 5.3 The Council will need to comply with the terms and conditions of any grant funding.

By implementing the recommendations of this report and undertaking, the works as outlined above, the Council will be discharging its statutory duty under the Flood and Water Management Act 2010.

6. Equality and Engagement Implications

An Equality Impact Assessment screening exercise has been undertaken in line with the Council's Legislative duties.

The project will be designed in accordance with national design guidance and will be compliant with the Equality Act 2010.

Background Papers: None

Appendices: Appendix A - Financial Implications
Appendix B - EIA Screening Form

FINANCIAL IMPLICATIONS : SUMMARYPortfolio: **PLACE**Service : **HIGHWAYS*****Mumbles Coastal Protection******Flood and Coastal Erosion Risk Management
Grant 2018 to 2022***

Scheme :

<u>1. CAPITAL COSTS</u>	2018/19	2019/20	2020/21	2021/22	TOTAL
£'000	£'000	£'000	£'000	£'000	£'000
<u>Expenditure</u>					
Fees	312	461	427		1,200
Construction				1,914	1,914
EXPENDITURE	312	461	427	1,914	3,114
<u>Financing</u>					
Flood and Coastal Erosion Risk Management Grant 2018/22	234	364	419	97	1,114
<u>CCS Capital Budget</u>					
CCS match funding by unsupported borrowing			183		183
CCS match funding by unsupported borrowing displaced by increased grant (part of £2m match approved in the 2018 capital budget)	78	97	-175	175	1,817
FINANCING	312	461	427	1,914	3,114
<u>2. REVENUE COSTS</u>	2018/19	2019/20	2020/21	2021/22	FULL YEAR
£'000	£'000	£'000	£'000	£'000	£'000
<u>Service Controlled - Expenditure</u>					
Administration					0
NET EXPENDITURE		0	0		0

Equality Impact Assessment Screening Form – Appendix B

Please ensure that you refer to the Screening Form Guidance while completing this form. If you would like further guidance please contact your directorate support officer or the Access to Services team (see guidance for details).

Section 1

Which service area and directorate are you from?

Service Area: Highways & Transportation

Directorate: Place

Q1(a) WHAT ARE YOU SCREENING FOR RELEVANCE?

Service/ Function	Policy/ Procedure	Project	Strategy	Plan	Proposal
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

(b) Please name and describe below

To confirm the bid for Local Sustainable Transport Covid Response Fund monies and seek approval for expenditure on the schemes in 2020/21.

Q2(a) WHAT DOES Q1a RELATE TO?

Direct front line service delivery	Indirect front line service delivery	Indirect back room service delivery
<input checked="" type="checkbox"/> (H)	<input type="checkbox"/> (M)	<input type="checkbox"/> (L)

(b) DO YOUR CUSTOMERS/CLIENTS ACCESS THIS...?

Because they need to	Because they want to	Because it is automatically provided to everyone in Swansea	On an internal basis i.e. Staff
<input checked="" type="checkbox"/> (H)	<input checked="" type="checkbox"/> (M)	<input checked="" type="checkbox"/> (M)	<input type="checkbox"/> (L)

Q3 WHAT IS THE POTENTIAL IMPACT ON THE FOLLOWING...

	High Impact (H)	Medium Impact (M)	Low Impact (L)	Don't know (H)
Children/young people (0-18)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Any other age group (18+)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or (non-)belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Poverty/social exclusion	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Carers (inc. young carers)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community cohesion	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Q4 HAVE YOU / WILL YOU UNDERTAKE ANY PUBLIC CONSULTATION AND ENGAGEMENT RELATING TO THE INITIATIVE?

YES NO (If NO, you need to consider whether you should be undertaking consultation and engagement – please see the guidance)

If yes, please provide details below

The design of the Mumbles project will be subject to public consultation, with particular attention afforded to the disability and access groups to ensure that the needs of those represented by these groups are accounted for and accommodated.

Equality Impact Assessment Screening Form – Appendix B

This coastal protection project will provide a much lower risk of future flooding to properties in Mumbles, but will also seek to improve public amenity, connectivity and access and will be the subject of consultation as appropriate. Consultation with local disability and access groups will be undertaken to ensure accessibility for all.

Q5(a) HOW VISIBLE IS THIS INITIATIVE TO THE GENERAL PUBLIC?

High visibility <input checked="" type="checkbox"/> (H)	Medium visibility <input type="checkbox"/> (M)	Low visibility <input type="checkbox"/> (L)
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(b) WHAT IS THE POTENTIAL RISK TO THE COUNCIL'S REPUTATION? (Consider the following impacts – legal, financial, political, media, public perception etc...)

High risk <input type="checkbox"/> (H)	Medium risk <input checked="" type="checkbox"/> (M)	Low risk <input type="checkbox"/> (L)
---	--	--

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes No If yes, please provide details below

The scheme will result in additional assets to maintain by the Highways Maintenance Team

Q7 HOW DID YOU SCORE?

Please tick the relevant box

MOSTLY H and/or M → HIGH PRIORITY → EIA to be completed
Please go to Section 2

MOSTLY L → LOW PRIORITY / NOT RELEVANT → Do not complete EIA
Please go to Q8 followed by Section 2

Q8 If you determine that this initiative is not relevant for a full EIA report, you must provide adequate explanation below. In relation to the Council's commitment to the UNCRC, your explanation must demonstrate that the initiative is designed / planned in the best interests of children (0-18 years). For Welsh language, we must maximise positive and minimise adverse effects on the language and its use. Your explanation must also show this where appropriate.

A full EIA will be required for this project. The Equality Impact Assessment, EIA, has been opened and will be updated throughout the duration of the project.

Equality Impact Assessment Screening Form – Appendix B

Section 2

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email – no electronic signatures or paper copies are needed.

Screening completed by:
Name: Andy Hopkins
Job title: Quantity Surveyor, Highways & Transportation
Date: 26 th January 2021
Approval by Head of Service:
Name: Stuart Davies
Position: Head of Service, Highways & Transportation
Date: 26 th January 2021

Please return the completed form to accesstoservices@swansea.gov.uk